



Labor Code of the Republic of Azerbaijan Republic

(Adopted by the Law of Azerbaijan Republic of February 01, 1999, N 618-IG)

Pursuant to Article 35 of the Constitution of the Republic of Azerbaijan labor is the basis of individual and public welfare. Every person has the right to freely choose an activity, profession, occupation and place of work on the basis of his skills and abilities.

The following shall be authorized by the Labor Code of the Republic of Azerbaijan:

- employment, social and economic rights of employees and employers in the sphere of labor relations on the basis of the appropriate legal norms and a minimum level of proper guarantees relating to said rights;
- Principles and procedures ensuring the right to employment, rest and work under safe and healthy conditions and to other basic human rights and freedoms as stipulated in Section Two of the Constitution of the Republic of Azerbaijan;
- Regulations governing the rights and obligations of employees and employers, including relevant national government bodies with respect to the execution, amendment, or termination of employment agreements and the protection of the rights of parties to these agreements, shall be defined pursuant to the principles of human rights and freedoms provided by the Labor Code of the Republic of Azerbaijan, the Constitution of the Republic of Azerbaijan and international treaties and agreements signed or supported by the Republic of Azerbaijan, conventions of the International Labor Organization and other international laws.

Section I. General Norms

Chapter One. General Provisions

Article 1. Regulatory Acts included in the Labor Law System of the Republic of Azerbaijan

The labor law system of the Republic of Azerbaijan shall consist of:

- this Code;
- the relevant laws of the Republic of Azerbaijan;
- the normative and legal acts adopted by relevant Executive Authorities within the scope of their authority;
- international treaties signed or supported by the Republic of Azerbaijan with respect to labor and socioeconomic issues.
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Article 2. Purposes and Principles of the Republic of Azerbaijan Labor Code

1. The Labor Code of the Republic of Azerbaijan shall govern labor relations between employees and employers, as well as other legal relations derived from such relations between them and relevant national authorities and entities.

2. The Labor Code of the Republic of Azerbaijan shall establish the minimum norms for regulations ensuring implementation of the labor rights of physical persons and these rights themselves.

3. The Labor Code of the Republic of Azerbaijan (hereinafter referred to as “This Code”) shall be based on the following principles with regard to labor relations between the parties:

- equal rights;
- protection of their interests by justice and the superiority of the law;
- favorable conditions for the use of mental, physical and financial capacities to meet material, spiritual, social, economic and other living requirements;
- legal guarantees for the fulfillment of employment contracts.

Article 3. Basic Terms and Definitions Used in the Labor Code of the Republic of Azerbaijan

1. Enterprise: a legal entity, its affiliate or representation *of the foreign legal entity* established by the owner regardless of the legal form, name or activity of the organization.

2. Employee: an individual who has entered into an employment agreement (contract) with an employer and who works in an appropriate workplace for pay.

3. Employer: the owner or manager of a designated establishment or authorized body, as well as any individual conducting business without having established an entity who is fully entitled to enter into agreements with employees and to terminate or amend them.

4. Labor Team: a union of employees who have established labor relations with an employer and who are employed at appropriate places of work and who have the authority to collectively implement the labor, social and economic rights specified by this Code and other Normative Legal Acts and to protect their lawful interests.

5. Employment contract (agreement) (hereinafter «employment contract»): a written contract by and between an employer and employee on an individual basis describing the basic conditions of employment and the rights and obligations of the parties.

6. Collective contract: a written contract by and between an employer and a labor collective or, at its discretion, a trade union, governing employment, socioeconomic, day-to-day, and other relations within an enterprise.

7. Collective agreement: an agreement by and between the relevant Executive Authority, association of trade unions and employers that defines the obligations of the parties to improve working conditions, provide employment, and to engage in joint activity for the social protection of employees.

8. Workplace: the place where an employee performs his job as defined by his job (professional) description, and for which he is paid a salary.
9. Job description: the scope of work (services) to be performed by an employee in one or several positions (professions) as stipulated in the employment contract.
10. Occupational safety: the system of social, economic, organizational, technical, public health, hygiene, treatment and preventive measures and methods defined by regulations, collective contracts (agreements), and employment contracts for the purpose of guaranteeing the right of employees to a safe and healthy work environment.
11. Working conditions: the set of terms, the names of professions (positions), specialties, rates, systems, compensation, working hours, time off, occupational safety, state social insurance and other social, economic, and industrial requirements specified in employment contracts and collective contracts (agreements) and defined by regulations.
12. Employees representative agency: a trade union chapter (association) established voluntarily by employees that serves as a representative under its own bylaws and the law to protect its employee and their social and economic rights and legal interests.
13. Employers representative agency: a public association established voluntarily by employers operating under their own bylaws and the law to protect the employment, social and economic rights associated with their business and interests with respect to ownership and industrial and labor relations.
14. Collective requirements: requirements tabled by employees or trade unions before employers, their unions or relevant authorities in connection with collective contracts, agreements, amendments thereto, their execution, and other labor and social issues.
15. Collective labor dispute: a disagreement arising from collective demands.
16. Individual labor dispute: an individual disagreement between an employer and employee during the term of a labor contract, employment contract or agreement and arising from the exercise of this Code and other regulations.
17. Strike: a voluntarily, temporary refusal of employees to perform their work in whole or in part in order to resolve their collective labor disputes.

Article 4. Workplaces where this Code Applies

1. This Code shall apply to all enterprises, establishments, organizations (hereinafter referred to as «Enterprises»), as well as workplaces where an employment agreement exists without the establishment of an entity, to all embassies and consulates of the Republic of Azerbaijan operating outside the territory of the Republic of Azerbaijan, to all ships sailing in international waters under the banner of the Republic of Azerbaijan and to all offshore installations and other workplaces, regardless of their property, organizational and legal form, and to relevant government bodies, individuals and entities of the Republic of Azerbaijan, pursuant to the rules specified in this Code.
2. This Code shall also apply to employees performing jobs in their homes using their employer goods (materials).

Article 5. Other Workplaces and Officials to whom this Code Applies

1. This Code shall apply unconditionally to all workplaces incorporated by foreign countries, their citizens or entities, international organizations, and stateless persons in the Republic of Azerbaijan registered under the law and doing business under a special permit (license) unless otherwise stipulated by the agreements signed by and between the Republic of Azerbaijan and foreign countries and international organizations.

2. This Code shall apply to all public officials, as well as to all officials of the public prosecutor's office, police offices and other law enforcement authorities taking into account the particulars as established in Normative Legal Acts regulating the legal status of public officials. If these Normative Legal Acts do not cover in detail said public officials' labor, social and economic rights determined by this Code, then the appropriate requirements hereof shall apply.

Article 6. Individuals and Jobs to which This Code shall not Apply

This Code shall not be applied to the following individuals and jobs:

- a) military personnel;
- b) judges;
- c) deputies of the Milli Majlis of the Republic of Azerbaijan and persons elected to municipal bodies;
- d) foreigners signing employment contracts with a legal entity of a foreign country and fulfilling his labor functions in an enterprise (affiliate, representation) operating in the Republic of Azerbaijan;
- e) persons performing jobs under contractor, task, commission, author and other civil contracts.

Article 7. Governance of Labor Relations by Law and Contracts

1. The employment rights and minimum degree of protection associated with these rights shall be assured by the regulations cited in Article 1 hereto.

2. Labor relations shall be established upon the execution of a written employment contract.

3. Clauses providing for additional labor, socioeconomic, material, domestic and other relations may be included in collective contracts and employment contracts. It shall be prohibited to include any clauses in employment contracts that limit the rights of employees beyond current law and the collective contract or agreement. Tangible, intangible, and other losses incurred by employees as a result of the application of these clauses shall be compensated fully by employers.

4. An agreement for training in a new profession and specialty may be concluded on the basis of mutual consent of employer and employee directly when an employment contract is signed or in the process of labor relations.

5. The terms, procedures and duration of employees training in a new profession or specialty and the parties' obligations shall be governed by an appropriate agreement or employment contract signed pursuant to the consent obtained.

Article 8. Calculation of Time Periods Defined by this Code

1. The time periods used in this Code in connection with the origination, alteration or termination of employment rights and obligations shall be calculated from the ending calendar date of the period in question in calendar time or years, months, weeks or days.

2. A given time period shall be calculated starting on the day following the date established for the beginning of that time period.

3. Time periods calculated in years, months, or weeks shall expire accordingly on the last day of the year, month, or week. Time periods calculated in calendar weeks and days shall include non-working days.

4. Should the last day of a time period falls on a non-working day, the period shall expire on the first working day following the non-working day in question.

Chapter Two. Basic Rights, Duties and Labor Relations of Parties to Employment Agreements and General Legal Guarantees in the Area of Labor Relation Regulations

Article 9. Basic Employee Rights Related to Employment Agreements

Employees shall have the following basic rights relating to employment agreements:

- a) to choose employment at a place of work according to his calling, specialty, and profession;
- b) to ask the employer to amend the terms of the employment contract or to terminate it;
- c) to engage in activity for pay during working hours which is not prohibited by law; to not impede fulfillment of the obligations of parties to an employment contract;
- d) to work under conditions which meet safety and health requirements and to exercise the right to demand such conditions;
- e) to compensation no less than the minimum established by law;
- f) to receive or demand extra salary for overtime;
- g) to refuse to perform work or services not included in the job description defined by the employment contract and to demand additional salary appropriate for such work;

- h) to receive the appropriate social allowances to improve housing and daily living for family members;
- i) to work those hours established by law;
- j) to work reduced hours as established by law for certain professions (positions) and fields;
- k) to enjoy vacation days established by law;
- l) to take annual paid leave and, when appropriate, social, unpaid, and educational leave not less than as provided herein;
- m) to training, advanced training, and retraining;
- n) to demand reimbursement for damage to health or property as a result of the performance of his duties;
- o) to receive compulsory social insurance paid by the employer as established by law, as well as other insurance;
- p) to join trade unions or other representative bodies or public organizations, and to take part in strikes, meetings, gatherings and other mass actions implemented by said organizations or by the labor team that are not prohibited by law;
- q) to appeal to a court for protection of his labor rights;
- r) to use a benefits and allowances for social protection, *social insurance rights*;
- s) to collect the national unemployment allowance;
- t) to obtain appropriate references from his employer with respect to his place of work, position (profession), monthly salary and labor relations.

Article 10. Basic Employee Obligations Relating to Employment Contracts

Employees shall have the following basic obligations with respect to employment contracts:

- a) to conscientiously perform the job duties specified in the employment contract;
- b) to maintain work discipline and internal enterprise discipline;
- c) to meet occupational safety requirements;
- d) to be liable for material damage to the employer;
- e) to keep state secrets and the employers trade secrets confidential under the rules and terms established by law;
- f) to support the labor rights and interests of his co-workers;

g) to carry out the resolutions (decrees) of judicial authorities concerning individual or collective labor disputes;

h) to comply with labor law requirements.

Article 11. Basic Employer Rights

1. An employer shall have the following basic rights with respect to labor relations:

a) to enter into employment contracts and amend their terms under the procedure prescribed herein;

b) to terminate employment contracts under the procedure prescribed herein;

c) to require that employees promptly and adequately fulfill the terms and obligations established by employment contracts;

d) to promote employees to appropriate posts (professions) in conformity with their business capabilities, job performance and professional standing.

e) to discipline employees should they violate the terms of employment contracts or internal enterprise discipline;

f) to take appropriate steps to obtain compensation for damage caused by employees to employers or owners;

g) to modify working conditions and reduce the number of employees or to terminate staff or structural divisions pursuant to the requirements of this Code and other Normative Legal Acts ;

h) to enter into collective contracts with a labor collective or its representative agency and to monitor fulfillment of the obligations under these contracts;

i) to establish a blackout period during the negotiation of employment contracts under the rules and for the time established herein.

2. Any interference with the implementation of an employer's rights and obligations as stipulated in this Article and as specified in Article 12 of this Code and other Normative Legal Acts shall be prohibited. Any person interfering with an employer's activity in this sphere or violating his lawful rights shall bear the appropriate liability as stipulated by Legislation.

Article 12. Basic Employer Obligations and Responsibilities

1. An employer shall have the following basic obligations with respect to labor relations:

a) to comply with the terms and obligations specified in employment contracts;

b) to comply with other regulations pursuant to this Code and labor law;

c) to terminate employment contracts on the grounds and pursuant to the rules established herein;

- d) to comply with the terms and conditions of collective agreements and contracts and the obligations foreseen therein;
- e) to enforce the resolutions (decrees) of judicial authorities concerning individual and collective labor disputes;
- f) to consider employee applications and complaints within the term and in the manner established by Legislation;
- g) to take necessary steps pursuant to the enterprise bylaws or collective contract to improve the working, material, and living conditions of employees;
- h) to create equal opportunities and equal approach to employees, regardless of gender in employment, dismissal from work, advanced training, mastering the new specialty and professional development, assessment the quality of work;*
- i) to create equal working conditions for the workers regardless of gender, engaged in the same work, do not apply to employees different administrative discipline measures for the same misconduct, to take the necessary measures to prevent discrimination based on gender and sexual harassment;*
- j)) involve children in activities that may endanger their life, health or morals.*

2. Employers who violate employee's rights, who do not fulfill their obligations under an employment contract, *employing persons who have not attained the age of 15, involving children in activities that may endanger their life, health or morals* and who violate the conditions of this Code shall be called to appropriate account in the manner established by legislation.

Article 13. Regulation of the Labor Rights of Foreigners and Stateless Persons

1. Foreign citizens and stateless persons who have entered into employment contracts shall enjoy the same rights and have the same obligations as defined in this Code, regardless of their length of stay in the Republic of Azerbaijan, unless provided otherwise by law or an international treaty to which the Republic of Azerbaijan is a party.
2. Foreign citizens and stateless persons may enter into employment contracts and exercise employee rights by presenting a document confirming their legal right to be in the Republic of Azerbaijan.
3. It shall be unacceptable to give priority to the rights of foreign citizens and stateless persons over citizens of the Republic of Azerbaijan or to limit their rights established herein with respect to labor relations.
- 4. Employers may recruit foreigners and those with no citizenship only after they are issued individual permits to carry out paid labour activity in the territory of the Republic of Azerbaijan as provided for in the legislation.*

Article 14. Duties of State Bodies in the Sphere of Labor Relations

1. Legislative, executive and judicial bodies shall be responsible for the regulation of labor relations with respect to the following within the scope of their authority:

- ensuring that the parties equally and duly meet the legal requirements of labor relations;
- providing healthy and safe working conditions;
- preventing violations of the rights of employees and employers;
- restoring the violated rights of employees and employers;
- enforcing labor law within the scope of their authority;
- enforcing a national labor relations policy on the basis of the principles of human rights and freedoms as defined by the Constitution of the Republic of Azerbaijan.

2. The State shall regulate labor relations to ensure the efficient utilization of manpower and to prevent the groundless hiring of foreign experts at the expense of the suitable workforce available in the country, and shall accomplish this by taking into account the professional qualifications, labor skills and long-term experience of its citizens for the purpose of eliminating unemployment, pursuant to Paragraph VIII of Article 35 of the Constitution of the Republic of Azerbaijan, and for resolving problems of unemployment and population employment and migration.

3. The relevant Executive Authorities shall oversee the implementation of State policy in the sphere of labor relations. The aforesaid Executive Authorities shall:

- pass appropriate Normative Legal Acts to ensure the regulation of labor relations within the limitations of their authority;
- implement State policy on labor compensation and labor relations, on the protection of labor and the utilization of labor resources, on labor migration, social protection of the population and rehabilitation problems of disableds *and employees up to 18 with restructured health condition*;

Article 15. Agency Implementing State Oversight for the Execution of Labor Legislation

1. The relevant Executive Authorities shall implement state oversight for the execution of labor legislation and the requirements of other Normative Legal Acts.

2. The Authority implementing state control over the execution of Labor Legislation shall have the right to require those persons guilty of labor legislation violations to cease their violations of the law, to hold these persons accountable in cases and the manner determined by *the Code of Azerbaijan Republic on administrative offences* and to table before the relevant authorities whether to hold said persons liable for other infringements.

3. The rights, obligations and procedures of the Authority implementing state control over the execution of Labor Legislation shall be governed by Regulations approved by the relevant Executive Authorities.

4. The Authority implementing state control over the execution of Labor Legislation may not engage in the resolution of issues referred to a court authority under this Code or other Normative Legal Acts.

5. Employers and employees, as well as other parties to labor relations, shall be obliged to execute the decisions and instructions on compliance with labor legislation adopted by officials of the Authority implementing state control over the execution of Labor Legislation pursuant to the requirements of this Code and other Normative Legal Acts on labor legislation.

6. Complaints concerning the decisions and instructions of officials of the Authority implementing state control over the execution of Labor Legislation may be appealed *administratively and/or* in the court.

Note: The term parties to labor relations used in this Code shall mean the employers, employees, owner, and officials subject to the employer; representatives of labor protection services; representatives of the employee authorized to protect the employees rights; trade union representatives; and authorized officials of the employees represented agencies.

Article 16. Unacceptability of Discrimination in Labor Relations

1. During hiring or a change in or termination of employment no discrimination among employees shall be permitted on the basis of citizenship, sex, race, nationality, language, place of residence, economic standing, social origin, age, family circumstances, religion, political views, affiliation with trade unions or other public associations, professional standing, beliefs, or other factors unrelated to the professional qualifications, job performance, or professional skills of the employees, nor shall it be permitted to establish privileges and benefits or directly or indirectly limit rights on the basis of these factors.

2. Concessions, privileges and additional protection for women, the handicapped, minors, and others in need of social protection shall not be considered discrimination.

3. Employers or other physical persons that permit the discrimination indicated in Paragraph 1 of this Article shall bear the appropriate responsibility in the manner established by the Legislation.

4. A person subject to the discrimination stipulated in Clause 1 of this Article during his employment may seek recourse in a court of law.

Article 17. Prohibition of Forced Labor

1. It shall be prohibited to oblige an employee to perform a job not included in his job description through any kind of duress or under the threat of termination of the employment contract. Offenders shall be held liable under legally-established procedure.

2. Forced labor shall be permitted in connection with military and emergency situations if the work is performed under the supervision of relevant national authorities under the relevant law or court order.

Article 18. The Right for Individual and Collective Employment Disputes and its Governance by Law

1. Employees, employers, labor collectives and trade unions shall have the right to initiate an individual or collective employment dispute in order to protect their rights and legal interests. The methods by and terms under which these rights are exercised may be limited under the law.

2. The resolution of individual and collective disputes originating during the application of labor law between an employee and employer or with a labor collective shall be governed by the rules hereof.

Article 19. Trade Unions

1. A trade union may be established on a voluntary basis without discrimination among employees or without prior permission from employers. Employees may join the appropriate trade union and engage in trade union activity in order to protect their labor and socioeconomic rights and legal interests.
2. The law of the Republic of Azerbaijan «on trade unions» and trade union charters shall define the rights, obligations and powers of trade unions.

Article 20. Employers Representative Agencies

1. For the purpose of protecting their interests with respect to their economic, financial, and business activities, as well as to promote social cooperation with employees' representative agencies, employers may voluntarily establish an organization and unite in this organization.
2. The rights, duties, strategies and rules of employer's representative agency shall be defined by relevant regulations and by the agency's bylaws.
3. The activity of employers representative agency and the equality of the rights of employees and employers in labor relations defined under the rules hereof shall be regulated on the basis of relevant contracts and agreements.
4. No superior rights, privileges, or advantages may be granted to employer's representative agency over employee's representative agency.

Article 21. Activity of Public Self-government Agencies at Enterprises

1. Together with trade unions organizations, other public self-government agencies and employers representative agencies established under the specified procedure may provide activity according to their bylaws.
2. The owner or manager of an enterprise shall provide the appropriate conditions as stipulated in collective contracts, defined by mutual agreement of this organization and public self-government agencies and employer or by the contract concluded between them for the activity of trade unions and other employees representative public self-government agencies.
3. No political party or religious society may engage in activities at enterprises.

Note: Pursuant to the appropriate Normative legal Acts, Public Self-government Agencies used in this Article shall mean other public organizations founded by the labor team council, the boards of chairmen (directors), and inventors, rationalizers, women and veterans societies and creative association.

Section II. Collective Contracts and Agreements

Chapter Three.

General Procedures for Entering into Collective Contracts and Agreements

Article 22. Basic Principles for Drafting, Signing, and Executing Collective Contracts and Agreements

The basic principles for drafting, signing, and executing collective contracts and agreements shall be as follows:

- a) Equality of the parties;
- b) The freedom and ability to choose and discuss the issues constituting the substance of collective contracts and employment agreements;
- c) The unacceptability of including in collective contracts and agreements terms that are not stipulated for objective reasons;
- d) Guaranteed fulfillment of obligations;
- e) Compliance with the law;
- f) Oversight of fulfillment of obligations and liability for default;

Article 23. Inadmissibility of Interfering with the Signing, Amendment, and Execution of Collective Contracts and Agreements

No interference on the part of government authorities, other employers, political parties, voluntary associations, or religious societies which may restrict the legitimate rights of employees or their interests as protected by law or prevent the exercise of said rights in the process of signing, amending, or executing collective contracts and agreements shall be permitted.

Article 24. Mandatory Terms of Collective Contracts and Agreements

1. The terms of collective contracts and agreements shall be binding on the parties and on the places of work to which these terms refer.
2. Any terms of collective contracts and agreements that worsen the standing of employees relative to the labor, social or economic standards stipulated in this Code and in other Normative Legal Acts shall be invalid under current law.

Chapter Four. Collective Bargaining

Article 25. Rights to Collective Bargaining

1. Labor collectives, employers, trade unions (*associations*), relevant authorities and employers representative bodies shall have the right within the scope of their authority to draft, enter into and amend collective contracts and agreements.

2. *Party that has received a written proposal for the commencement of bargaining shall be obliged to commence negotiations within 10 calendar days and send a reply to the party initiating the collective bargaining with the provision of information about the representatives who will participate in the bargaining from his part. The day following the day of receipt of the reply letter by the party initiating the collective bargaining shall be considered as the beginning day of collective bargaining.*

3. If there is no trade union at an enterprise, the labor collective shall establish a commission with special bargaining powers.

4. If there are several trade unions (trade union associations) or other employee-authorized representative agencies at the national or territorial level, a commission shall be created proportionate to employee membership in order to conduct the bargaining.

5. It shall be unacceptable to refuse to bargain to draft the terms of collective contracts and agreements.

6. *It is not allowed to hold collective bargaining and conclude collective contracts, agreements on behalf of employees by employers, as well as those representing the executive authorities, local governments, including organizations created or funded by them.*

Article 26. Collective Bargaining Procedures

1. The parties shall create a commission consisting of an equal number of representatives from each party to bargain for the purpose of drafting a collective contract or agreement or amendment to it.

2. The members of the commission, and the agenda, place and time of bargaining shall be decided jointly by the parties.

3. The parties shall be free to choose and discuss the issues constituting the substance of a collective contract or agreement.

4. Employers and authorities must submit the information necessary for bargaining within five days at the commission's request. Should said information constitute a state or trade secret, the parties to the bargaining shall be liable under the law for disclosing any information they have received.

5. The parties shall keep minutes in the event of disagreement during bargaining. The final proposals, as well as the date on which bargaining shall resume, shall be indicated in the minutes.

Article 27. Guarantees to Parties to Collective Bargaining

1. Persons participating in negotiations (representatives of the parties, consultants, experts, mediators, specialists, arbiters and other persons invited by the parties) shall receive their average monthly salaries for no more than three months during the course of the year, and the time spent in bargaining shall be counted towards their seniority.
2. Costs connected with bargaining shall be compensated by the employer.
3. Persons invited by the parties to participate in bargaining shall be compensated for their labor on the basis of an agreement between the parties.
4. The participants in collective bargaining shall not be disciplined, reassigned to other work, or dismissed by their employers during the bargaining.

Chapter Five. Collective Contracts

Article 28. Adoption of a Resolution on the Necessity of Drafting and Signing a Collective Contract

1. A resolution on the need to draft and sign a collective contract on the basis of the initiative stipulated in Article 25 of this Code shall be adopted by the trade union.
2. If there is no trade union at the enterprise the general meeting (conference) of a labor collective may adopt a resolution on the bargaining, drafting and signing of a collective agreement.
3. *A collective contract can be signed at the company, its affiliates, representations and other independent subdivisions. For the purpose of holding the collective bargaining, drafting, conclusion of collective contracts or their modification, the employer provides the necessary authorities to the head of such subdivision at the affiliates, representations or other independent subdivisions of the company.*

Article 29. Parties to a Collective Contract

The parties to a collective contract shall consist of employers and the trade union. If there is no trade union at the enterprise, the second party to a collective contract shall be a labor collective.

Article 30. Procedures for Drafting and Signing a Collective Contract

1. Procedures for the drafting and signing and the duration of a collective contract shall be defined and undertaken by the agreement of the parties. The parties may create the appropriate commission (working group) with an equal number of representatives.
2. The commission (working group) shall submit the draft collective contract to the Parties for consideration. The revised draft with suggestions shall be submitted to the general meeting (conference) of the trade union for approval after the proposals received have been investigated.

3. The authorization of trade union organization meetings, conferences and other sessions shall be regulated by its charter. Any general meeting (conference) where over 50% of employees (representatives) participate shall be considered an authorized meeting.
4. Employers must provide conditions for the trade union or specially-authorized commission to use all available facilities (internal communications and information, copy machines, equipment, etc.) to submit the draft of the collective contract for employee approval.
5. If the draft of the collective contract is not approved, the parties representatives shall revise it within fifteen days (unless the parties have agreed otherwise) and submit it to the general meeting (conference) of the labor collective or, if appropriate, to the trade union.
6. The draft of a collective contract shall be approved by a majority vote of the participants of the general meeting (conference).
7. The parties must sign a collective contract within three days after its approval. The signed collective contract and its amendments shall be submitted to the labor and social issues authority as information within seven days.

Article 31. Content of a Collective Contract

1. The content of a collective contract shall be defined by the parties.
2. As a rule, a collective contract shall include the mutual obligations of the parties in relation to the following matters:
 - a) improving the productivity and economic performance of the enterprise;
 - b) defining the procedure and amount of compensation, monetary rewards, benefit payments, extra payments, and other payments;
 - c) the mechanism for regulating compensation based on price increases and the level of inflation;
 - d) employment, training, professional development, conditions for laying off employees;
 - e) working hours, time off, and vacations;
 - f) cultural and consumer services, social guarantees and benefits for employees and members of their families;
 - g) performance evaluation, establishment and revision of labor quotas;
 - h) improving working conditions for women and minors;
 - i) defining additional guarantees to improve occupational safety;
 - j) compensation for damage to employees in connection with performance of their jobs;

- k) formation of a body to hear individual employment disputes and the procedure by which it shall operate;
- l) definition of additional preferential terms and conditions for employee medical and social insurance;
- m) consultation and coordination with the trade union if an individual employment agreement is terminated at the employers initiative;
- n) environmental safety and protection of employee health;
- o) deduction of membership fees from trade union members salaries and creating conditions for the efficient organization of trade unions charter activities;
- p) agreement on additional means for governing collective labor disputes;
- q) oversight for compliance with the terms of the collective agreement;
- r) liability of the parties for breach of a collective contract;
- s) *enforcement of labor discipline.*
- t) *assistance in provision of information and conducting explanatory work with regard to humiliation of individual employees, open hostile and offensive actions at the place of employment or in connection with the occupation and prevention of such actions, taking all necessary and appropriate measures in order to protect employees from such treatment;* u) *assistance in conducting explanatory work with regard to sexual harassment in office or in connection with the occupation as well as prevention of such harassment, applying all necessary and appropriate measures in order to protect the employees from such treatment;*
- u) *creation of conditions for workers to engage in physical training and sports, including rehabilitation and professional-practical exercises in working terms and after work, sports and health tourism.*

3. With respect to the enterprises economic capabilities, a collective contract may stipulate other employment and social and economic terms and conditions, including ones more beneficial than those provided herein (additional vacations, increased pensions, compensation for transportation and travel expenses, free or discounted food, other benefits and compensation).

4. Regulations which this Code and other regulations require to be included in a collective agreement must be included.

Article 32. Term of a Collective Contract

1. A collective contract may be executed for a period from one to three years.
2. A collective contract shall take effect when it is signed or on the date indicated therein.
3. Upon expiration of its period a collective contract shall remain in effect until a new contract is concluded, *but for the term not exceeding three years.*

4. Neither changes in the organizational structure of an enterprise, except in the case of a change of ownership or liquidation of the enterprise, *termination of the labor contract with the employer*, nor termination of trade union activities shall be grounds for nullification of a collective contract.

5. Should the ownership of an enterprise changes, the collective contract shall remain in effect for three months. During this time the parties shall have the right to begin negotiations on a new collective contract or on retention, revision, or amendment of the previous one.

6. In the event of liquidation or *reorganization of an enterprise in the form of a merger, division or separation* by the procedure and under the terms established by law, the collective contract shall remain in effect throughout the entire liquidation of *reorganization* period.

7. A collective contract shall apply to all employees at an enterprise, including individuals hired before the collective contract went into effect.

Article 33. Revisions and Amendments to a Collective Contract

A collective contract shall be revised or amended during its term on the basis of mutual agreement of the parties by the procedure defined therein. If no such procedure has been defined, revisions and amendments shall be made by the procedure stipulated by this Code.

Article 34. Oversight of Fulfillment of a Collective Contract

1. The parties and the relevant authority shall oversee fulfillment of a collective contract. Competent individuals exercising oversight must be provided with all necessary information.

2. The parties shall report to the labor collective on fulfillment of the collective contract on the dates stipulated in the contract, but no less than once a year.

Chapter Six. Collective Agreement

Article 35. Types of Collective Agreements

1. Depending on the scope of the relations in question, the following collective employment agreements may be executed:

a) A general collective agreement shall establish the general principles for the consistent conduct of social and economic policy.

b) Industry collective agreements shall establish the principles for the social and economic development of an industry, working and compensation conditions, and social guarantees for the professional groups and employees of an industry.

c) Territory (district) collective agreements shall establish the conditions for resolving specific social and economic problems in specific regions.

Article 36. Parties to a Collective Agreement

1. A collective agreement may be executed between the following parties:
 - a) A general collective agreement shall be executed between the relevant authority and associations of trade unions of *all state (state)*.
 - b) Industry collective agreements shall be executed between the relevant authority and trade union associations for specific professions or industries.
 - c) Territorial (district) collective agreements shall be executed between the relevant authority and area associations of trade unions
2. Main, Area and Territorial collective agreements may be executed between the relevant Executive Authorities, trade unions and employer's representative bodies (unions).

Article 37. Procedures for Drafting and Executing a Collective Agreement

1. The parties shall create a commission consisting of an equal number of representatives from each party to conduct negotiations for the purpose of drafting and executing the collective agreements specified herein.
2. A collective agreement shall be drafted and executed and the time period for the commencement and completion of negotiations, including amendments of such agreement, shall be determined by the agreement of parties.
3. Three months prior to the expiration of the previous agreement each party shall have the right to give a written notice to the other party to commence negotiation for the purpose of making a new agreement. The party notified must commence the negotiations to conclude a collective agreement within no more than ten days.
4. Should the negotiations fail or the commencement date pass, the appropriate trade union shall have the right to take steps defined by law.
5. If new negotiations are not completed by expiration of the valid agreement, the term of that agreement may be extended by three months at the consent of the Parties.
6. The signed collective agreement and its amendments must be sent to the relevant authority within seven days as information.

Article 38. Content of a Collective Agreement

1. The content of a collective agreement shall be defined by agreement of the parties.
2. The parties shall have the right to include in a collective agreement the following points:
 - a) identification and implementation of steps to improve the economic standing of enterprises and specific industries;
 - b) increasing the average wage with regard to inflation;

- c) labor quotas and labor evaluation quotas;
- d) the amount of compensation and supplements to wages (no less than those established by the government);
- e) necessary occupational safety measures;
- f) favorable working conditions;
- g) employment assistance;
- h) progressive forms and methods of doing business;
- i) introduction of advanced technologies and advances in science and technology at enterprises;
- j) production of competitive products;
- k) environmental safety assurance;
- l) prevention of massive dismissals because of enterprise closure, steps to prevent dismissals;
- m) to provide special social protection for employees and members of their families;
- n) benefits to enterprises that create new jobs and hire the handicapped, *employees up to 18 years old with restricted health condition* and youth (teenagers);
- o) labor discipline.

Article 39. Term of a Collective Agreement

1. A collective agreement shall take effect when it is signed or on the date indicated therein.
2. A collective agreement shall be executed for a period of from one to three years.

Article 40. Revisions and Amendments to a Collective Agreement

1. A collective agreement shall be revised or amended during its term on the basis of a mutual agreement of the parties by the procedure defined therein. If no such procedure has been defined, revisions and amendments shall be made by the procedure stipulated by this Code.
2. The parties may revise or amend a collective agreement on the basis of petitions by employers at enterprises covering different professional groups or their associations or at the request of the relevant trade unions to join to an industry agreement.

Article 41. Oversight for Fulfillment of a Collective Agreement

1. The parties and the relevant authority shall oversee fulfillment of a collective agreement.
2. Competent individuals exercising oversight must be provided with all necessary information.

Section III. Employment Contracts

Chapter Seven. Grounds and Rules for Entering into Employment Contracts

Article 42. Parties to Employment Contracts

1. Employment contracts shall be entered into freely. No one shall be compelled to sign an employment contract.
2. The parties to an employment contract shall be the employer and the employee. *The person who is not establishing and willing to create employment relations cannot be compelled to sign an employment contract.*
3. A person who has reached the age of fifteen may be a party to an employment contract. An employment contract may not be signed by a person considered to be disabled as established by legislation.
4. A completely disabled person may not serve as an employer.

Article 43. Content of an Employment Contract

1. The content of an employment contract shall be defined by the contract pursuant to the law.
2. An employment contract must contain the following terms and information:
 - a) the full name and address, *series and number, date of issue of the identity card, name of the authority issuing the identity card* to the employee;
 - b) *if the employer is a legal entity - his name and registered address and, if the employer is a natural entity engaged in entrepreneurial activities without the creation of a legal entity - its full name, address, taxpayer identification number (TIN), series and number, date of issuance of identity card, the name of the authority issuing identity card;*
 - c) the employees workplace place of work and position (occupation);
 - d) the date of execution of the employment contract and the day on which the employee must start work;
 - e) the term of the employment contract;

f) the employees duties;

g) the terms of the employees labor conditions - work and rest time, salary and adjustments to it, duration of employment leave, labor protection, social and other insurance;

h) mutual obligations of parties on employment agreement;

i) creation of conditions for workers to engage in physical training and sports, including rehabilitation and professional-practical exercises in working terms and after work, sports and health tourism;

j) information on other terms and conditions defined by the parties.

3. The rights and guarantees defined for employees by this Code may not be reduced when an employment contract is signed or upon termination of the labor relations.

4. Unless stipulated herein, the terms of the employment contract shall not be unilaterally replaced.

Article 44. The Form of an Employment Contract

1. An employment contract shall be executed in writing.

2. An employment contract must be executed in accordance with the example attached hereto on the basis of Parties consent.

3. An employment contract shall be prepared in at least two (2) copies and authenticated by the signatures (seals) of the parties. One copy shall be given to the employee; the other copy shall be kept in perpetuity by the employer.

Article 45. The Term of an Employment Contract

1. An employment contract may be executed without specified term (unlimited) or for a period up to 5 years (term).

2. Unless an employment contract states the term for which it is being executed, it shall be considered to be unlimited.

3. An employment contract executed without specified term may not be unilaterally replaced by a term employment contract without the mutual consent of the parties.

4. When the nature of the work or services are a priori specified as permanent according to the job description, an employment contract must be concluded without specified term, *except for cases stipulated by Article 47 of this Code.*

5. If the fixed-term employment contract continues within more than 5 years without interruptions, it is considered to be indefinite-term employment contract.

Article 46. Procedure for Execution of an Amendment to an Employment Contract

1. An employment contract shall be executed with the terms of employment specified in Article 54 hereof, including additional terms which the parties have agreed on, the job description of the employee and obligations of the parties.

2. An employment contract also may be executed in a collective manner. An employment contract may be signed on the basis of the written consent of each member of the collective (team, working group) in the event that the performance of the appropriate work and services (construction-refurbishment, loading-unloading, everyday, commercial sowing and harvesting and farming) is fulfilled in a collective manner by two or more working groups. In this case, the employees authorize one of their representatives to sign a collective employment contract with an employer.

3. In cases when a collective employment contract is signed an employer must fulfill his obligations under this Code and the employment agreement with regard to each member of the collective. A collective employment contract may be terminated only on the grounds and in the manner stipulated by this Code.

4. An employment contract may be entered into with persons over the age of fifteen. *An employment contract concluded with persons under the age of 15 shall be void, and the employer, concluding such contract is subject to administrative liability in accordance with Article 312 of this Code.* An employment contract may be executed with persons aged fifteen to eighteen with the consent of their parents, an adoptive parent (guardian), or a legally-authorized surrogate.

5. Any employment contract executed without indicating one of the terms specified in Article 43, Part 2 may be declared invalid or be required to be redrafted at the initiative of one of the parties. The employer must incorporate these terms into the employment contract as soon as their absence is discovered. In such cases, unless another agreement exists between the parties, the employment contract shall be effective from the date on which it is signed or drafted in writing, *regardless of the date of introductions of this provision (provisions).*

6. An employment contract shall be amended by the agreement of the parties. The agreed amendments shall be incorporated into the employment contract. If it is impossible to incorporate the amendments into the employment contract because of their length, the employment contract shall be redrafted or these amendments shall be separately drafted and approved.

Article 47. Cases when Fixed-Term Employment Contracts are Signed

In the following cases a labour agreement may be concluded for a definite term:

a) an employees temporary disability, absence on a business trip or leave, as well as when another employee must perform the duties of the employee in question because of said employees temporary disability due to reasons stipulated by Legislation by keeping his workplace and position;

b) for carrying out seasonal work which cannot be done throughout the year due to natural and climatic condition or to features of the work;

- c) in cases when the scope and duration of refurbishment, construction and installation work and assimilation and application of new technology, the conducting of experiments and tests or other similar work is performed;
- d) in cases when employee training and the achievement of a high professional standing (training, interning, downtime) from the point of view of complex and responsible labor function concerning appropriate position (occupation) is required;
- e) in cases related to an employees personal and family status, as well as cases related to an employees work and education and his appropriate temporary place of residence because of some reasons and his desire to work *when* he/she reaches retirement age;
- f) in cases when paid social work is performed on the basis of a proper permit from the Executive Authority;
- g) in cases when a person is elected to a position in an elective agency (organization, union), except those agencies indicated in Item c of Article 6 of this Code;
- h) at the mutual consent of the Parties in compliance with the principle of the Parties legal equality;
- i) in cases when a collective employment contract is signed with employees in the form of a team or working group as stipulated in Paragraph II of Article 46 of this Code;
- j) in other cases stipulated by Legislation.

Article 48. Documents Submitted by Employees Entering into Employment Contracts

1. When entering into an employment contract an employee shall submit an employment record, as well as a document confirming his identity *and state social insurance certificate (except for individuals commencing labour activity for the first time)*.
2. The availability or non-availability of the employee's registration at a proper place of residence may not be taken as a basis for signing an employment contract. Persons entering into an employment contract for the first time shall not be required to present an employment record.
3. An employment contract may be entered into without presenting an employment record by and between persons having refugee or displaced-persons status, *and persons with like status*, as well as by foreigners and stateless individuals who are commencing work for the first time in the Republic of Azerbaijan.
4. When an employment contract is signed, if training or education in accordance with job requirements is considered necessary, then the employer shall be provided with the appropriate education document.
5. Employees shall submit a health certificate for jobs involving heavy and dangerous labor harmful to employee health including, for the purpose of safeguarding public health

in the workplace, workplace for work at food processing, public catering, medical, and retail establishments. The list of professions (positions) with applicable labor conditions and workplace relevant workplaces shall be prepared and confirmed by the appropriate authorities.

6. An employee entering into an employment contract shall not be required to submit any additional documents other than those stipulated by this Code, including documents which do not pertain to his employment (position) functions.

Article 49. Effective Date of an Employment Contract

1. An employment contract shall take effect when it is signed by the parties, unless otherwise stated therein.

2. If an employee has actually begun working in violation of the requirements of this Code with the employers consent but without a written employment contract, the employment contract shall be considered to have been entered into from that date. In such cases the employment contract must be drafted and approved within no more than three days.

3. The registration and confirmation of an employment contract by any state agency or other authorities shall not be admissible.

Article 50. Governance of Labor Relations for Positions Filled on a Competitive Basis

1. Depending on the nature of the employment and job description, an employer may announce competitive hiring.

2. Competitive hiring shall be announced for positions connected with scientific or scientific-pedagogical activity at scientific and educational institutions. Equal participation by employees in any competition declared shall be ensured. *There shall be no announcement of the competition only for members of the same sex, except as provided by law.*

3. The competition may be judged either on the basis of a mix of the employees (person applying for a position) documents, scientific work and information included in his application, by some form of testing, or by utilizing both of these methods.

4. The relevant Authority shall adopt a Normative Legal Act regulating the terms of competitions and the holding of positions on a competitive basis.

5. Employer shall enter into a termless employment contract or an employment contract with a fixed date with the winner of the competition *in an established order.*

6. Termination of the employment contract of an employee hired competitively, including other labor relations, shall be governed exclusively by the procedures and rules defined hereby.

7. Any candidate who is not satisfied with the outcome of a competition held may appeal to a court within a month after the date of adoption of the Competition Commissions decision. The results of said competition shall be declared null in the event that the court determines that the competition was held in violation of the requirements of Legislation

or was biased. In such cases the competition shall be held again, provided that the circumstances indicated in the decision are rectified.

Article 51. Probationary Period

1. An employment contract may be executed for a probationary period in order to examine an employee's professional qualifications and ability to perform a particular job. The probationary period shall be established with the consent of the parties and may not exceed three months.
2. The probationary period shall consist of the work time during which the employee actually performs his duties. Periods during which the employee is temporarily disabled and absent from the job for valid reasons and when his job and salary is kept for him and he is compensated shall not be included in the probationary period.
3. An employment contract in which a probationary period is not mentioned shall be considered to have been entered into without a probationary period.

Article 52. Cases for which a Probationary Period shall not Apply

1. In the following instances there shall be no probationary period when an employment contract is entered into:
 - with persons s under the age of 18;
 - with persons hired competitively;
 - *pregnant women and women with a child under the age of three, as well as men, independently bringing up the child under the age of three;*
 - *persons, hired for the first time as per specialty (profession) on graduation from the educational institution;*
 - *persons, elected by the paid elective office;*
 - *persons, with whom employment contract for up to two months is entered;*
 - in other cases with the consent of the Parties.

Article 53. Outcome of Probation and Rules Governing Hiring

1. Before the end of the probationary period, one of the parties may terminate an individual employment contract by notifying the other party in writing with three days notice.
2. If neither party has demanded termination of an individual employment contract, the employee shall be considered to have passed his probationary period. As of the time when the employee is considered to have passed his probationary period, the employment contract may be terminated only on the grounds established by this Code.
3. If the employment contract specifies a probationary period, the terms for termination of the employment contract by the employer in the event of an unsatisfactory probationary period must be indicated.
4. If the results of the probationary period are unsatisfactory, the employer may terminate the employment contract.

Chapter Eight. Working Conditions, Job Descriptions and the Legal Norms Governing their Application

Article 54. Working Conditions

1. An employer must provide the following conditions for employees to perform their duties:

- the name of the profession (position), specialty, wage rates;
- compensation;
- labor quotas and labor evaluation quotas;
- workplace and working condition that meet public health and hygiene requirements;
- compliance with occupational safety and safety engineering requirements;
- performance of the job description during the regular working hours provided in this Code;
- time off and vacations defined hereby;
- compulsory national social insurance of employees required hereby;
- *the timely provision of the workers with the equipment, materials, tools, technical and other documents and their proper quality, necessary for the fulfillment of job functions;*
- the terms provided in employment contracts, collective contracts.

2. Except in cases defined hereby, working conditions shall not be changed unilaterally.

Article 55. Additional Terms of Employment

When entering into an employment contract, an employer may, at his own expense, establish working conditions superior to those defined in this Code or the collective contracts, e.g., additional compensation, additional vacation, reduced and part time working hours, additional individual insurance, social protection and security, or other additional terms. The scope of these terms, their term and applicable rules, as well as their alteration, shall be defined by the agreement of parties.

Article 56. Alteration of the Terms of Employment

1. Terms of employment may be changed as a result of the need to reorganize production and employment, if the employee continues to work at his trade, profession, and position.

2. An employer must officially inform an employee in writing or by order at least one month before the change in terms of employment (except terms provided in Article 55 hereof). Should the employee not wish to continue work under the new terms, he must be transferred to another job. If this is not possible, the employment contract may be terminated under Article 68, Part 2, para. c hereof.

3. Changes in additional terms of employment by the employer under the rules provided in Article 55 hereof shall not be grounds for terminating an employment contract.

4. Should an employer introduce changes that cause a decline in the working conditions of at least ten percent of the employees at an enterprise where at least 50 persons are employed the employer must submit an official notice to the relevant Authority stating

the reasons for this. The relevant Authority must investigate the validity and legality of such steps and take measures within its authority.

Article 57. Employee Job Description

1. An employer must precisely define the scope of the job description for work to be performed or services to be rendered by employee in one or more positions or professions as provided in the employment contract.
2. The scope of a job description shall be defined in accordance with Unified Pay Scale Handbook approved by the relevant authority and shall be detailed in the employment contract.
3. The job description shall be changed only by agreement of parties. The job description shall not be changed unilaterally, nor shall an increase or reduction in its scope be allowed.
4. If an employer cannot provide an employee with the specified job for specific reasons and gives him another job corresponding to his profession, the employee may refuse that job if he is not paid the average wage.

Article 58. Execution and Governance of a Multiple Employment Contract

1. Should the terms of the employment contract permit, an employee may work in his primary place of work and *elsewhere* after the working hours of his primary job on the basis of a multiple employment contract. The workplace for which a multiple employment contract is executed shall be considered as the supplementary workplace; *the workplace where the work record card is kept shall be considered as primary workplace. The multiple employment contract is to be entered without issue of the work record card.*
2. The working hours at an organization employing an employee holding multiple jobs shall be agreed by the parties and shall not exceed the norm defined in Article 89 hereof.
3. Special permission shall be required of the employer in order for an employee to hold two or more *jobs* after working hours at a primary workplace. Holding another job during working hours shall be permitted with the employers consent. When an employee holds multiple jobs the terms of employment and the scope of the job description shall be determined by the employer.
4. Employees holding multiple jobs shall be subject to but not limited by all norms, rules and provisions specified by labor law, except as indicated in Parts 5 and 6 of this Article.
5. If an employee works under harmful or dangerous working conditions having a negative effect on his health in his primary place of work, he shall not be permitted to work under the same conditions in his other jobs.
6. Employees under age of 18 may be allowed to hold multiple jobs if their total daily working hours do not exceed the reduced work hours provided for them in Article 91 hereof.

7. The right to enter into an employment contract and engage in work at an additional workplace place of work shall not apply to relevant officials of the state power authorities in those cases directly as stipulated by Legislation.

Article 59. Transfer to Another Job

If an employee is assigned to perform a job in another profession, specialty and position not provided in his employment contract, this shall be considered a transfer to another job. It shall be permitted only with the employees consent and *by introduction of changes and additions to the employment contract or on the basis of a new employment contract.*

Article 60. Temporary Transfer to another Job at the Employers Initiative

An employee may be temporarily transferred to another job without his consent for up to one month for business reasons and to prevent idle time. An employee may not be transferred to a job, which has a negative effect on his health or to a job with a lower skill rating. While on the other job, the employee shall be compensated on the basis of work performed, but no less than his previous monthly wage.

Article 61. Performance of Another Employees Job

1. An employee may perform the job of another employee absent from *workplace* for a specific reason for more than fifteen days by the agreement of the parties. In this case he shall be compensated for work performed under the rules as provided in Article 162 hereof.

2. The job description of the vacant job shall be assigned to the employee with his consent. If the employee performs his own and the assigned job he shall be compensated no less than the half of the wage of the vacant position.

3. The employee may be assigned to perform a vacant job for no more than three months. Upon completion of this period the replacement may be transferred to that job with his consent, or both of the jobs may be combined and a new contract signed to extend the employment of the replacement employee, or a new employee may be hired for the vacant job.

4. *If the job description of the vacant job is of the similar nature that of the job description as per taken position, then the employee taking up such position, with his consent, remaining on his position may also be hired for such vacant job. Herewith, such employee should be paid with extra salary provided that such rise is not less than half of salary (official salary), fixed for vacant job.*

Article 62. Employee Dismissal

1. In order to protect the interests of owner and employees, prevent possible violation of occupational safety rules and ensure labor discipline, an employer may remove an employee during working hours in the following cases:

a) the employee comes to work under influence of alcohol, *narcotic drugs and psychotropic agents* or other intoxicants or drinks or takes these substances at work;

b) the employee refuses to undergo medical examination as defined by Article 226 hereof or does not comply the recommendations provided by the medical commission as a result of an examination;

c) the employee commits administrative *offences* or crimes at his place of work that are confirmed by a decision from an appropriate Executive Authority and creates a public menace during working hours.

2. Dismissal of an employee must be supported by proof (doctors statement, testimony by employees, references and other official documents) in each specific case.

3. An employee shall not be compensated when he is dismissed from work. *If workers which do not passed primary or periodical medical examination for a good reason were dismissed from work, they are paid wages in downtime for the period of suspension from work.*

4. An employer may apply one of the disciplinary penalties specified in Article 186 hereof regardless whether the dismissed employee committed an administrative or criminal offense.

5. Should an employee consider his dismissal illegal and groundless as a result of malice, false documentation or other facts, he may appeal to a court to restore his violated rights and defend his honor.

Article 63. Governance of Labor Relations in the Event of a Change in Ownership

1. Should the ownership of an enterprise changes, the employment contracts signed by and between the former owner and the employees, other than the ones noted in Paragraph II of this Article, and the terms and conditions of said contracts shall be kept in effect by the new owner. The new owner may terminate an employment contract with these employees in the manner specified in the employment contracts of these employees and on the basis stipulated in Articles 70, 73 and 75 of this Code.

2. The new owner may terminate an employment contract with the employer (manager) or his deputies, senior accountant and other division managers who are fulfilling direct managerial functions in conformity with Item c of Article 68 of this Code, or may modify the terms and conditions of their contracts in the manner stipulated in Article 56 of this Code.

3. In relation to a change of ownership, the new owner or his employer shall be prohibited from undertaking any mass termination of employment contracts, thereby abusing his right to ownership, without first assessing the employee's professional qualifications, ability to perform their tasks and any incompetence that may cause damage to the owners business. The new owner or employer shall establish the employees' professional qualifications and the need for available jobs in order to independently implement ownership activity at the enterprise by means of workplace and employee certification.

Note: mass termination of employment contracts used in Paragraph 3 of this Article shall be defined as follows, depending on the total number of employees within three months at the same time, or at a different time beginning on the date the proprietary right for the appropriate enterprise was established:

- from 100 to 500, more than 50 percent;
- from 500 to 1000, more than 40 percent;
- more than 1000, more than 30 percent by termination of employment contracts by the new owner or designated employer as determined in Articles 70, 73 and 75 of this Code.

Chapter Nine. Legal Norms Regulating the Certification of Employees and Workplaces

Article 64. Workplace Certification: its Purpose and Overseeing its implementation

1. The Employer shall provide workplace certification in the manner specified in the relevant Normative Legal Act for the purpose stipulated in Paragraph 2 of this Article independent of working conditions.
2. In order to provide the protection of labor at proper working places or to determine and improve the status of production sanitary and hygiene, as well as during the application of the latest advanced methods including new techniques and technologies for the increase of labor productivity and work efficiency, the Employer must carry out workplace certification. For this purpose, a workplace certification commission shall be established that consists of trade union representatives and professional experts on labor protection and organization services.
3. The procedures for carrying out workplace certification shall be governed by a Normative Legal Act adopted by a relevant Executive Authority Executive Authority.

Article 65. Employee Certification, Procedures for Implementation and Terms and Conditions

1. With the exception of those employees indicated in Article 66 of this Code, all employees may be certified in order to examine their professional standing expertise and to determine their compliance with their specialty, profession or position.
2. Only those employees who have been employed at their places of work for at least one year may be certified. A given employee may be certified no more than once every three years.
3. A Certification Commission consisting of experienced, objective and impartial persons with highly professional skills, as well as a representative from the trade union shall be established pursuant to the employers order (instructions). Neither the employer nor the employees supervisor at his workplace may be a member of the aforesaid Certification Commission.
4. The Certification Commission shall consist of at least 5 persons and in all cases the number of its staff must be odd numbers. The term of authority of the Certification Commission shall be determined in the proper order (instructions) concerning its establishment.
5. The members of the Certification Commission may question an employee regarding his position (occupation), function, specialty (profession), the jobs performed by him/her

and their results, as well as on issues concerning his rights and obligations under an employment contract in order to determine his compliance with his position (profession). The professional standing of an employee that is certified may not be evaluated according to his political outlook, spiritual or moral maturation, personality, faith and other personal qualities including his degree of discipline.

6. The Certification Commissions activity shall be carried out openly, objectively, impartially and in compliance with the requirements of Legislation. The Certification Commission shall adopt its decision by a majority vote obtained during open or secret balloting. The desire of labor collective representatives to participate as observers at the Certification Commissions meeting must be accommodated.

7. The Certification Commission shall adopt only one decision: whether an employee complies with his position (profession). Moreover, the Certification Commission may submit recommendations to the employer on the expediency of utilizing said employee in another position (profession).

8. Other procedures on the certification of employees as established in this Article shall be governed by a Normative Legal Act approved by the relevant Executive Authority.

Article 66. Non-Certifiable Employees

The following employees shall not be certified:

- Employees who have been wounded (*injury, trauma, contusion*) or disabled in military actions carried out for the defense, freedom and territorial integrity of the motherland;
- Employees who displayed courage and were awarded state medals and decorations and granted honorary titles during the protection of Azerbaijan's independence and territorial integrity;
- Employees with refugee and displaced-persons status who have been holding one position (profession) for less than 5 years;
- Pregnant women;
- Women (*men, independently raising a child*) on social leave until the child is three years old and who have worked for less than one year in a proper position (profession) after the aforesaid leave is over;
- Employees under 18;
- Employees who have worked in one position (profession) for less than a year;
- Employees who have been certified at least three times in his position (profession) and whose compliance with their position (profession) has been established ;
- Employees who are not certifiable as stipulated in collective employment contracts (agreements);
- *Employees engaged in practical medical or pharmaceutical activity in the Azerbaijan Republic.*

Article 67. Regulation of Employee Performance and Workplace Certification

1. The employment contract of an employee for whom the Certification Commission has rendered a decision on non-compliance with his position may be terminated by an employer pursuant to Item c of Article 70 of this Code by following the procedures stipulated in Article 71 herein.

2. Employers may transfer employees to another appropriate position (profession) at the employees consent by taking into account the Certification Commissions recommendations.
3. Massive reductions in workplaces as a result of certification shall not be permitted.
4. Employers may not cancel employees employment contracts based on the results of workplace certification.
5. Persons who consider the decisions of the Certification Commission on employee and workplace certification to be groundless, illegal, ill-intentioned and biased may appeal to a court.
6. In the manner established by this Code, courts alone may consider individual labor dispute based on the claim of an employee whose employment contract has been canceled or he/she has been transferred to another position (profession) by an employer due to non-compliance with his position on the basis of the Certification Commissions decision.

Article 67-1. Certification of employees engaged in practical medical or pharmaceutical activity in the Azerbaijan Republic

- 1. In order to test the professional skills and fitness of the employees engaged in practical medical or pharmaceutical activities in the Azerbaijan Republic, these employees are attracted to certification in the manner prescribed by the Law of the Azerbaijan Republic "On protection of public health.*
- 2. Pregnant women, women (men, raising a child alone), being on a social leave to care for children under three years and working after this period in the appropriate position (profession) less than one year are not attracted to certification.*
- 3. Institutions of higher or specialized high medical education, including persons having graduated residency are not attracted to certification within five years from the date of receiving of the document certifying the education in accordance with the law, and public health experts, having changed the specialty in accordance with the law - from the date of receiving of the document certifying the new specialty.*
- 4. Employees who have not passed certification in accordance with the law are not allowed to practice medical or pharmaceutical activities.*
- 5. Non-admission of the employees that have not been recertified in accordance with the Law of the Republic of Azerbaijan On protection of public health to the practical medical or pharmaceutical activity may be ground for termination of the employment contract by the employer with such employee in accordance with paragraph of Article 70 of this Code.*

Chapter Ten. Grounds and Rules for Termination of an Employment Contract

Article 68. Grounds for Terminating an Employment Contract

1. An employment contract may be terminated only on the grounds and under the conditions established hereby.
2. Grounds for terminating an employment contract shall be the following:
 - a) the initiative of one of the parties;
 - b) expiration of the employment contract;
 - c) a change in terms and conditions of employment;
 - d) cases related to a change in the ownership of an enterprise (employees indicated in Paragraph II of Article 63 of this Code);
 - e) Cases not depending on the will of the Parties;
 - f) Cases established by the Parties in the employment contract.

Article 69. Termination of an Employment Contract at the Initiative of the Employee

1. An employee may terminate an employment contract by notifying the employer in writing one calendar month in advance.
2. At the end of one calendar month, the employee shall have the right not to go to work and to demand a final accounting. The employer shall be obliged to meet the employees' demands.
3. If there are specific, valid reasons, such as the employees being of retirement age, his disability, admission to an educational institution, move to a new place of residence or entering into an employment contract with another employer, *in cases of sexual harassment*, or in other cases provided by law, the employee may terminate his employment contract on the date he has indicated in his application.
4. An employee who has submitted notice of termination of his employment contract shall be entitled to rescind this notice or submit a new application to the employer to cancel this notice within the term of notice. In this case the termination shall not be allowed and the employment contract shall not be terminated, provided that the employer has not submitted written notice to the employee concerning another employee's involvement in said position (profession). Upon termination of the employment contract pursuant to the rules defined herein, the employees request to rescind or cancel his notice shall be invalid.
5. If the employees notice does not indicate the date on which the employment contract is to be terminated, the contract may not be terminated on the grounds defined in this article until the term of the notice has expired.
6. An employee exercising his right to take leave may submit an application to the employer requesting annual leave and termination of his employment contract as of the

date of completion of the leave. The employee may rescind his notice or submit a new application to the employer to cancel his notice before the end of his leave in the manner determined in Paragraph 4 of this Article. In such cases the employees request must be satisfied.

7. An employer shall be prohibited from using force, threat, or any other method against the employees to oblige him to terminate his employment contract.

Article 70. Grounds for Termination of an Employment Contract at the Employers Initiative

An employment contract may be terminated at the employer's initiative in the following cases:

- a) the enterprise is liquidated;
- b) there is a personnel cutback at the enterprise;
- c) a competent body decides that the employee does not have the professional skills for the job he holds;
- d) the employee does not fulfill his job description or fails to perform his duties as defined by the employment contract and gross violation of job description as indicated in Article 72 hereof without valid reason;
- e) if the employee has not justified the expectations within probation period.*

Note: The competent body in Clause c shall be defined as the certification committee established to determine that the employee matches his specialty, occupation grade, experience, professional qualifications and having the relevant powers, *relevant executive authority, carrying out certification of the employees, engaged in practical medical or pharmaceutical activities*. Employee certification shall be carried out pursuant to Article 65 of this Code.

Article 71. Actions to be taken when a labour agreement is terminated by an employer

1. *If number of employees is reduced or reduction of the staff is carried out, or a relevant decision is taken by an authorized body on inadequacy of an employee to the position he/she held, an employer shall take actions as provided for by this Code.*
2. The employment contract shall be terminated under Article 70, subpara. c hereof if the employee has deliberately or negligently violated common work discipline, production, labor or performance discipline at the workplace by failing to perform his job or duties (obligations) or has infringed on the owners, employers, or labor collectives rights and interests protected by law.
3. The employer shall be obliged to prove the necessity of terminating the employment contract as described by Article 70 hereof.

Article 72. Cases Considered Gross Violations of the Job Description

If an employee:

- is absent from work for a whole day without good reason, except in the case of his own illness or a close relatives illness or death;
- comes to work under the influence of alcohol, *narcotic drugs and psychotropic agents*, or other intoxicants or drinks or takes these substances at work;
- causes material damage to the owners as a result of his activities or lack thereof;
- violates the procedures on protection of labor as a result of his guilty activity (inactivity) and causes damage to his workmates health or they perish for said reasons
- intentionally fails to maintain the confidentiality of state, production and commercial secrets or fails to fulfill his obligations on keeping of said secrets confidential;
- causes serious damage to employers, enterprises or owners lawful interests as a result of his gross mistakes or the infringement of the law during his employment activity;
- breaches the job description a second time within six months, regardless of the disciplinary fine imposed by the employer;
- commits administrative *offences* or crimes creating a public menace during working hours and causes serious damage to employers, enterprises or the owners legal interests, he shall be considered to have committed a gross violation of his job description.

Article 73. Procedures for Terminating a Term Employment Contract

1. A term employment contract shall be terminated upon its expiration. If the term of the employment contract has expired, employment continues, and neither party demands termination of the contract within a week after its expiration, the employment contract shall be considered to have been renewed on previous term.

2. If a term individual employment contract expires while the employee is absent from work for specific, valid reasons (illness, business trip or leave, as well as in cases when his job and average salary as stipulated in Article 179 of this Code are kept for him), the contract may be terminated on the day determined by employer, but in any event within one week after the employee returns to the workplace.

Article 74. Grounds for Termination of an Individual Employment Contract in Cases not Depending on the Will of the Parties

1. An individual employment contract shall be terminated independent of the will or wishes of the parties in the following cases:

- a) the employee is called for military or alternative service;
- b) the person who held the job previously is reinstated by a legally valid court ruling;
- c) the employee cannot perform his job for more than six months because of full and permanent disability unless the law sets a longer period;

d) *enforcement of a court sentence depriving the employee of his right to drive the transport facilities, depriving the right to hold some positions or to carry out some activity, deprivation of freedom for some term or life imprisonment;*

e) the employees disability is confirmed by a court decision that has taken legal effect;

f) the employee dies;

g) if the employee previously worked at this company, uses his right to return to his work place (position) after reserving from statutory active military service.

2. If an employee illegally dismissed from his place of work appeals to a court of law and the court accepts his claim and rules to reinstate his job, the employer must carry out the court (judgment) resolution, *entered into force*, immediately and reinstate him in his previous job or in another job with his consent. The employment contract for the employee put into this employee's position may be terminated by the procedure defined in Article 71 hereof.

Note: Permanent disability shall be determined by an opinion of the relevant Executive Authority. Permanent disability shall be understood as considering disable for at least 1 (one) year by establishing the disability group of an employee *or restricted nature of health condition of those up to 18 years old* on the basis of a decision of the relevant Executive Authority. Temporary disability for a period of less than 6 months shall not be grounds for termination of the employment contract. *Employees, who have temporarily lost their ability to work, are paid a benefit at the expense of the Employer for the first 14 days of not being in the office according to the rate and order established by the appropriate executive authority; the following period is paid for at the expense of contributions which have been made to the Compulsory State Social Insurance, office position and post reserved.* Moreover, the relevant Executive Authorities opinion shall be taken into account in relation to employees who have partially lost their ability to work for a period not exceeding one year.

Article 75. Termination of Employment Contracts in Cases Provided Therein.

1. When entering into employment contracts the parties may define conditions for their termination, in addition to those provided herein.

2. The following additional cases concerning the termination of employment contracts may be stipulated in employment contracts pursuant to the Parties mutual consent:

a) parties mutual consent;

b) the opinion of a health enterprise that occupying a certain position (occupation) poses a danger to an employee's health;

c) in cases when there is a high probability of falling ill with occupational disease at a given workplace during the discharge of an employee's duties within a certain time period;

d) in cases when an employer undertakes mandatory written obligations to enter into a new employment contract with the employee after some time has passed due to a reduction in the scope of work or services rendered.

e) in other cases determined by the Parties on the basis of the requirements of this Article.

3. In order to more fully regulate labor relations in the future, the Parties shall include in the employment contract those cases stipulated in Paragraph 2 of this Article and complying with employee's labor conditions.

4. The cases of employment contract termination specified by the parties may not contradict the guaranteed principles of employee and employer rights defined in Article 2, Part 3 hereof.

5. The parties may not define terms for employment contract termination which degrade their honor and dignity and limit their rights as provided herein.

Article 76. Limitations on Employment Contract Termination

1. An individual employment contract may be terminated only on one of the grounds provided in Article 68, 69, 70, 73, 74 and 75 hereof.

2. An employment contract may not be terminated for two or more grounds if one is not provided by law or does not comply with the rules for termination of employment contracts provided herein.

Chapter Eleven. Employee Guarantees upon Termination of an Employment Contract

Article 77. Employee Guarantees upon Termination of an Employment Contract

1. If an individual employment contract is terminated due to a reduction in employees or staff, the employee shall be officially notified by the employer two months in advance in cases provided by Article 70, para. b

2. During the notice period, the employee shall be given at least one day a week off with pay to enable him to find appropriate work.

3. If an employment contract is terminated under Article 70, para. a and b hereof employees shall be paid:

- severance equaling the lowest average monthly wage;
- the average monthly wage for the second and third months after dismissal until he finds a new job.

4. An employer may terminate an employment contract with the employee consent by paying no less than two months salary in lumpsum instead of applying the notice period defined in Part I of this Article and Part II of Article 56 of this Code.

5. The average payment provided in Part 1 of this Article shall be paid according to a certificate issued to individuals by the relevant Executive Authority. Said certificates shall be issued to persons listed by the relevant executive authorities within one month after dismissal. The payments must be made by the employer at the enterprise from which the employee was laid off; if it was liquidated, by the new owner of its assets (the entity or individual managing the assets). This procedure shall not apply in cases stipulated in Paragraph 4 of this Article.

6. Collective agreements and employment contracts may stipulate that the employee retain his average monthly wage for a longer period while he looks for a job and is paid more amounts compared to the ones stipulated in Paragraphs 3 and 7 of this Article.

7. If an employment contract is terminated under Article 68 subpara. c, or Article 74 subpara. a and c. the employer shall pay the employee an allowance equal to twice the average monthly wage. If an employment contract is terminated because of the death of the employee, the heirs of the deceased shall receive an allowance equal to three times the average monthly wage. *In case of agreement termination pursuant to clause of article 68, part II of the present Code, employer is deemed to pay to employee the compensation at the minimal rate of three average monthly salaries.*

8. *Employers at its own expenses shall attract the employees dismissed on the basis of reduction in staff, which are considered as children having lost their parents or deprived of parental custody according to the Law of the Azerbaijan Republic On social protection of children having lost their children or deprived of parental custody and also persons assigned to them, to new vocational training for further employment in this or any other organization.*

9. *Workplace and position of the employee at the enterprise are remained within the period of active military service, regardless of the type of property and organizational-legal form, except for the liquidation of the enterprise in an order stipulated by the legislation. Those working in the enterprise before drafting to statutory active military service are entitled to return to its former or equivalent position (profession) in the enterprise prior to the expiration of 60 days at the most from the date of discharge from military service.*

Article 78. Individuals Given Preference during Personnel Cutbacks at an Enterprise

1. Should there be a personnel reduction, employees with the highest skill ratings (professional qualifications) shall be retained. The employer shall determine a given employees professional qualifications.

2. Should skill ratings be identical, the employer shall retain the following individuals :

- members of families of *shekhids* (martyrs);
- war veterans;
- spouses of soldiers and officers;
- individuals supporting two or more children under the age of 16;
- individuals disabled on the job or who contracted job-related ailments at that enterprise;
- persons with refugee, displaced status, *and persons with like status*;
- other employees as stipulated in collective agreements and employment contracts.

Article 79. Employees Whose Employment Contracts May Not be Terminated

1. The employer shall be prohibited from terminating the employment contracts of the following individuals:

- pregnant women and women with child under age three, *men upbringing independently the child under three*;
- employees whose only income source is the enterprise where they work and who are bringing up children under school age;
- employees temporarily disabled;
- *employees with pancreatic (insular) diabetes*;
- individuals because they are members of trade unions or other political parties;
- *workers with dependent family member with limited health under 18 years or disable person of group I*;
- employment contracts for individuals on vacation or on a business trip or engaged in collective bargaining may not be terminated on the basis of the grounds determined in Article 70 of this Code.

2. The provisions of Part 1 of this Article shall not apply to cases of termination carried out pursuant to Item a of Article 70 and Article 73 hereof.

Article 80. Agreements when Employment Contracts are terminated by Employers

1. A labour agreement concluded with an employee, who is a member of the trade union, shall, on the grounds specified in Article 70, items b) and c) of this Code, be terminated by an employer by obtaining prior consent of the trade union functioning at the enterprise.

2. An employer intending to terminate a labour agreement concluded with an employee, who is a member of a trade union, in connection with one of the cases provided for in paragraph 1 of this article, shall apply to the trade union of the same enterprise with a well-grounded application. Evidencing documents shall be attached to the application. The trade union shall provide their well-grounded written decision at least within ten days of the date of receiving such application to the employer.

3. Should an employment contract be terminated by a decision of the employer, advising the trade union or obtaining prior consent shall not be required, except in cases provided in Part 1 of this Article.

Chapter Twelve. Procedures for Executing, Amending and Documenting the Termination of Employment Contracts

Article 81. Documenting Employment Contracts

1. For the purpose of regulating clerical procedures and enforcement, a collective contract by the parties may be documented by an order (decree, decision) of the employer at his discretion.

2. It shall be prohibited to document labor relations without a written employment contract as defined by this Code.

Article 82. Documenting Transfer to Another Job or Other Cases

In cases provided herein, a change in labor relations, terms of employment or the execution of a multiple employment by the relevant order (decree, decision). In this case the procedures for executing an employment contract and amending it must be followed.

Article 83. Documenting Termination of Employment Contracts

1. Unless rules other than as provided in this Chapter are established for documenting the termination of an employment contract, the termination of an employment contract by the employee or employer or in the cases independent of the parties wishes shall not be documented by order (decree, decision) of employer pursuant to the procedures and rules provided in Articles 68, 69, 70, 73, 74 and 75 hereof.

2. An employer's order (decree, decision) to terminate an employment contract must be signed by the employer and authenticated by the enterprise seal. During the last working day a copy of this order shall be given to the employee together with employees' record book and employer's final payment (compensation for unused leave time due the employee and other payments).

Article 84. Content of the Order on Terminating an Employment Contract

1. The following information must be contained in the order (decree, decision) terminating an employment contract:

- the name of enterprise, legal address, number of the order (decree, decision), date, the position and name of the employer who signed it;
- the full name of employee;
- the name of employees position as stated in the employment contract;
- grounds for terminating the employment contract;
- the relevant Article, Part and Clause hereof where the rules for termination of employment contract are provided;
- the day, month and year on which the employment contract was terminated;
- official documents considered as grounds for the order (decree, decision) terminating the employment contract.

2. An order (decree, decision) lacking any of the information provided in Part 1 of this Article may be declared invalid by the court resolving the labor dispute.

3. The order (decree, decision) of the employer terminating the employment contract may be prepared in simple form indicating only the information in Part 1 of this Article; also in accordance with regulations it shall consist of a descriptive (introductory) section and the decision where this information is shown.

Article 85. Procedures for Registering Employment Contracts

1. The employer must register executed employment contracts, amendments thereto, orders related therewith, including other orders (decrees, decisions), in a special book or in a computer program. If said registration is not carried out by means of a computer then this book must be numbered, laced up and the enterprise seal must be placed over the knot of the lace on the last page of the book.

2. The employer must keep the register book as a special registration document and it must be written neatly. It shall be prohibited to black out or erase notes in the book, or to tear out or modify its pages;

3. The document register may be computerized. However, if it is the employer must provide protection for this register.

Article 86. Storage of Employment Contracts and Orders

1. Employers shall be obliged to store and protect executed employment contracts, amendments thereto, and orders (directives, decisions) issued in relation to said contracts and to register them in a special book (register) or in a special program on a computer. If the registration is not computerized then the registration book must be paged, laced and the seal of enterprise affixed onto the knot of the lace on the last page of the book.

2. Employers shall keep the registration book as a special registration document and the notes shall be written neatly in said book. It shall not be permitted to underline or erase the notes or to tear out or alter pages. .

3. Employers shall provide perpetual storage of the registration documents when registration of the documents indicated in this Article is carried out either by computer or by hand.

Article 87. Documents on Employment Experience and Respective Employee Payment Records

1. Document concerning employee's employment experience shall consist of the employees record book. The employee record book shall indicate the employee's employment experience: date of employment, profession (position), date and grounds for dismissal.

Document, evidencing employment experience and time record of the members of the family farm shall consist of the certificate, issued by the municipalities.

2. The employer must note in the record book information on hiring, transfer to another permanent job, and termination of the employment contract for all employees who have worked more than 5 days.

3. Dismissed employees shall be given their record books on the day on which the employment contract is terminated (last workday).

4. The form of employee record books and the rules for their preparation shall be approved by the respective Executive Authority.

5. Employers shall draw up a document (book, list) on the payment and registration of employee salaries and other compensation pursuant to the procedure stipulated in Article 173 of this Code.

6. Records in connection with labour activity of a citizen of the Republic of Azerbaijan, who had worked in a foreign country, in his/her work-book shall be made and approved by a relevant executive authority based on the labour contract concluded with a foreign employer and a document confirming that mandatory state insurance was ensured.

7. Records as per off-hour employment in the work record book are entered at the primary workplace at the request of the employee on the basis of a copy of multiple employment contract.

Article 88. Terms for Providing Employees with References and Testimonials and Their Assignment to Other Places of Work

1. At the employee's request, the employer shall be obliged to provide a reference or file information on his position (profession), earnings during the relevant period, copies of personal documents, and his testimonial regarding the employees professionalism, efficiency and other personal qualities.

2. With the employees consent, the employer may send documents concerning the employee's personality or employment activity to another employer or to the respective authorities, as well as to other parties at the request of another employer or the relevant authority. Employers shall not be permitted to send a testimonial, letter of recommendation or other document concerning the employee unless he is familiar with it. A reference or letter of recommendation with positive content may be sent to another party without familiarizing the employee with it. In this case the employer must inform the employee where said documents have been sent.

Section IV. Working Hours

Chapter Thirteen. Working Hours and Rules for Their Regulation

Article 89. Standard Working Hours

1. Standard working hours shall be considered the time during which an employee must perform his duties during the weekly and daily working hours provided in this Code.

2. Daily working hours may not exceed eight hours.

3. Normal weekly working hours corresponding to normal daily working hours may not exceed 40 hours.

Article 90. Determination of Weekly Working Hours

1. In general, an employee shall have a five-day work week with two days off.

2. Depending on the nature of the industry, service, and terms of employment, an employer or the relevant authority may establish a six-day week with one day off within weekly working hours.

3. In a six-day work week, daily working hours may not exceed 7 hours for a weekly quota of 40 hours; 6 hours for a weekly quota of 36 hours; and 4 hours for a weekly quota of 24 hours.

Article 91. Reduced Working Hours

1. For different categories of employees, taking into consideration their age, health, terms of employment condition, duties, etc., reduced working hours may be determined by this Code, the proper Normative Legal Acts, as well as by the terms and conditions of the employment contract and collective agreements.
2. The following reduced working hours must apply: employees up to the age of 16, 24 hours per week; aged 16 to 18, category I and II disabled employees, and pregnant women and women with a child under the age of one and half, 36 hours per week.

Article 92. Reduced Working Hours for Employees Employed in Adverse Work Environments

1. Shorter working hours of no more than 36 hours per week shall be established for employees engaged in occupations, positions and industries characterized by working conditions hazardous to human health with regard to physical, chemical, biological and industrial factors. The list of such workplaces shall be approved by the relevant authority.
2. The list of jobs characterized by hazardous working conditions and the specific working hours for employees performing these jobs shall be specified in the collective contracts. If such contracts have not been concluded, this list shall be determined by the employer in consultation with the trade unions, taking into account the list mentioned in Part 1 of this Article.

Article 93. Reduced Working Hours for Specific Categories of Employees

Reduced working hours of no more than 36 hours per week shall be specified for certain places of work (e.g., doctors, teachers and individuals working with electronic devices and engaged in work elsewhere, as stipulated by Legislation) where working conditions (special in nature) are characterized by a high degree of sensitivity, excitement, mental, physical and nervous strain, or other factors negatively affecting human health. The list of such workplaces and positions, professions, and specialties shall be approved by the relevant authority.

Article 94. Part-Time Work

1. Short working hours, short workdays and short workweeks may be established by agreement between the employer and employee upon execution of an employment contract.
2. Part-time hours and their effective duration over a month or year shall be defined at the agreement of the parties.
3. If the health and physiological state (pregnancy, disability, *restricted health condition up to 18 years old*) of an employee, a chronically sick child, or any other family member, requires part-time employment on the basis of medical findings, as well as for women with children under 14 or *with restricted health condition*, the employer shall be obliged to arrange part-time work (workday or workweek) on the basis of their applications.
4. Part-time work shall be defined according to compensation, time spent on the job, or by agreement of the parties.

5. There shall be no limitation of any kind on the labor rights of part-time employees as defined by this Code or the employment contract.

Chapter Fourteen. Work Schedule and Regulation of Rules for Overtime

Article 95. Work Schedule

1. Rules for working hours shall be determined by daily work time, work starting and stopping time, break time and length, the number of shifts per day, shift documents and their preparation, transfer from one shift to another, total hours worked. The alternation of workdays and days off (shift rotation), and weekly workdays shall be governed by the organization's internal work rules, the employment contract and collective agreement.

2. Work schedules and rules shall be confirmed by an order (directive, resolution) issued by the employer pursuant to the work schedule defined by this Code and other regulations. Employees must be familiar with these rules. The basic sections of rules regulating the work schedule must be reproduced and hung in a place visible to all employees.

3. At industrial, transportation, construction, trade and other service enterprises where there are fewer than 50 employees the employer may establish a work schedule that is different from the rule stipulated in this Article, provided that the employee employment, social and economic rights specified herein are not restricted.

Article 96. Total Hours Worked

1. Total hours worked may be used if working hours during the period of record do not exceed the standard number of working hours. In this case, the period of record must not exceed one year; the daily work (shift) period, 12 hours.

2. The procedures for the use of total working hours shall be regulated by the collective contract, rules governing the work schedule at the enterprise, or the employment contract.

Article 97. Night Work

1. Working hours at night shall be defined as the period from 10:00 PM to 6:00 AM.

2. If at least half of the working day of workers working at work places with severe and harmful working conditions established by the relevant executive authority, as well as those engaged in works of special nature falls on night time, part of the working day falling on night time shall be reduced by one hour.

Article 98. Limitation on Night Work for Certain Categories of Employees

1. The following individuals shall not be permitted to work at night: pregnant women, women with children under the age of three, individuals under the age of 18.

2. Disabled employees may engage in night work only on the basis of their written consent and by taking the opinion of the relevant Executive Authority into account.

Article 99. Overtime

1. Overtime shall be considered time beyond the established workday during which an employee consensually performs his duties based on an order (instructions, decision) from his employer.
2. An employee shall be permitted to perform overtime in order to prevent a natural disaster, industrial accident, or other emergency events, or to eliminate their consequences, as well as to prevent the loss of perishable goods, pursuant to this Code.
3. Employees working under very difficult and hazardous conditions and in other cases stipulated by this Code shall not be required to work overtime.
4. Overtime must not exceed 2 hours per day (per shift) in areas where working conditions are difficult and the workplace hazardous.
5. Employers must create industrial and social conditions in conformity with the standards foreseen in Section «Protection of Labor» hereof and ensure the safety of labor for employees involved in overtime work.

Article 100. Maximum Overtime Work

No employee may work overtime in excess of 4 hours during two consecutive working days or be engaged in overtime work exceeding 2 hours at workplaces where working conditions are difficult or hazardous.

Article 101. Exceptions Where Overtime is Permitted

1. Overtime shall be permitted only in the following cases:
 - a) during the performance of work necessary for national defense or to prevent or immediately respond to a social or natural disaster or industrial accident;
 - b) during the performance of work vital to the general public such as the supply of water, gas, heat, light, sewage, transportation, and communications, to clean up accidents or solve unanticipated problems which interfere with their proper functioning;
 - c) if it is necessary to complete a job which has already begun and cannot be completed within normal working hours due to unanticipated or accidental delays caused by technical conditions and if failure to complete the work may entail inevitable commodity damage or loss;
 - d) during temporary work to repair and restore mechanisms or structures when their failure to function shall idle a large number of employees.
 - e) In cases when a break at work is impossible due to the absence of a substituting employee.
2. Employers shall be obliged to take all measures needed to substitute the absent employee with another employee and in a timely fashion to rectify the causes for the

involvement of employees in overtime work in exceptional cases as stipulated in this Article.

Article 102. Calculation of Hours Worked

1. An employer shall be obliged to calculate each employee's exact, correct hours worked during regular working time and overtime.
2. Employers shall determine the form and procedures for calculating the hours worked.

Section V. Day off and Leave Rights of Employees

Chapter Fifteen. Rest Time

Article 103. Rest and Meal Breaks

1. An employee must be granted a rest and meal break during the workday (shift).
2. The time at which the break is granted and its duration shall be specified by internal work rules, shift schedules, or by an employment contract or a collective agreement between the employer and employee.
3. On jobs where operating conditions make it impossible to grant this break, the employer must give an employee the opportunity to rest and eat during working hours.
4. Employees must have at least 12 hours rest between workdays. The duration of rest time for employees working on a sliding schedule shall be governed by the respective shift schedules.
5. Break and meal times shall not be included in working hours. Employees may use rest and meal breaks as they wish, at their own discretion.

Article 104. Days Off

1. All employees must be provided the opportunity to take consecutive days off during the week. The number of days off during the week for employees on a five-day schedule shall be two days; for employees on a six-day schedule, one day.
2. Days off shall be granted in accordance with shift schedules approved by trade unions. This procedure shall be regulated by an employment contract at workplaces where there is no trade union.
3. *After each free (gratuitous) giving of blood or its components the donors will receive an additional rest day with retention of the average salary. According to wish of the donor this day may be added to annual vacation or used in any other convenient time within year.*

Article 105. Holidays

1. *The following days are regarded as the holidays of the Azerbaijan Republic:*

- *New Year (1 and 2 January);*
- *Women's Day (8 March);*
- *Victory Day (9 May);*
- *Republic Day (28 May);*
- *Day of National Salvation of the Azerbaijan Republic (15 June);*
- *Armed Forces Day of the Azerbaijan Republic (26 June);*
- *National Independence Day (18 October);*
- *Day of the National Flag of the Azerbaijan Republic (9 November);*
- *Constitution Day (12 November);*
- *National Revival Day (17 November);*
- *Azerbaijan World Solidarity Day (31 December);*
- *Novruz five days;*
- *Gurban two days;*
- *Ramadan two days.*

2. *New Year, Women's Day, Victory Day, Republic Day, Day of National Salvation of the Azerbaijan Republic, Armed Forces of the Azerbaijan Republic, Day of the National Flag of the Azerbaijan Republic (9 November), Azerbaijan World Solidarity Day, Novruz, Gurban and Ramadan holidays shall not be considered as working days.*

3. *Employees involvement to work on holidays, which are not considering as working days, may be admitted only in special cases, stipulated by this Code.*

4. *The time of Novruz, Gurban and Ramadan of the following year shall be determined and announced to the public each year by the end of December by the relevant executive power authority.*

5. *If a day off and a holiday, not considering as working day, coincide, then this holiday shall be carried over to the next working day after holiday.*

6. *At coincidence of Gurban and Ramadan and other holiday, not considering as working day, the next working day shall be considered as day off.*

7. *When holidays and day offs follow or precede one another, then to ensure the sequence of working days and holidays, these working days or holidays may be interchanged by the decision of respective executive power authority.*

Article 105-1. Ballot Day

Ballot day in the election of deputies of Milli Majlis of the Azerbaijan Republic, the President of the Azerbaijan Republic, members of the municipalities of the Azerbaijan Republic, as well as a referendum on the territory of the election (referendum) is considered a day-off. Day of voting shall be defined in accordance with the legislation.

Article 106. Day of National Mourning

January 20 of each year shall be a Day of Mourning for those who perished for the independence and territorial integrity of Azerbaijan. This day shall not be considered a working day.

Article 107. Prohibition on Work during Days Off, *Ballot Day*, Holidays, *Considered as Non-business Days* and Day of National Mourning

Except in cases provided in Article 101, subpara. a and b hereof, as well as at uninterrupted production facilities, commercial, public catering, communications, transport and other service enterprises, no employee shall work on days off, *ballot day*, holidays, *considered as non-business days* or on the Day of National Mourning.

Article 108. Length of the Workday on the Eve of Days off, *Ballot Day*, Holidays, *Considered as Non-Business Day* and the Day of National Mourning

1. *Except as provided for in Articles 91, 92 and 93 of this Code, at other workplaces the length of work day before the ballot day, holidays, considered as non-business days, referred to in Article 105 of this Code and the day of National Mourning shall be reduced by one hour regardless of the number of working days in the week.*

2. At enterprises with six-day workweeks, the workday before days off shall not exceed 5 hours.

Article 109. Compensation of Employees Engaged in Work on Days Off, *Ballot Day*, Holidays, *Considered as Non-business Days* and the Day of National Mourning

Employees engaged to work on days off, the ballot day, holidays, deemed to be non-business days and the day of National Mourning in exceptional cases, permitted by Article 107 of this Code shall be paid in an order, stipulated by Article 164.

Chapter Sixteen. Leave Rights and their Provision

Article 110. Rights of Employees to Take Leave

1. Employees shall be entitled to take the leave provided by this Code regardless of their position (profession), terms of employment or the effective period of their employment contract.

2. Employees holding two or more jobs shall be entitled to take vacation as provided by this Code.

3. The rights of employees to leave and the rules for their exercise as specified by this Code may not be limited.

Article 111. Legal Guarantees for Employees Exercising Their Right to Leave

1. While an employee is on leave, his job, position and, in cases provided for by this Code, his average monthly salary shall be retained. His employment contract may not be

terminated, nor may the employee be disciplined at his employer's initiative. This period shall be counted towards the employee's seniority (in his specialty).

2. The employment contract or collective contract may provide additional material and social benefits for employees.

Article 112. Types of Leave

1. Employees shall be entitled to the following types of leave:

a) vacation, consisting of base and additional vacation time;

b) *social leave*;

c) educational and creative leave for continuing education and pursuing scientific research;

d) unpaid leave.

2. Other types of leave may be specified by the employment contract or collective contract.

Article 113. Vacation

1. Vacation is time off to be taken by an employee at the employee's discretion, for a period not less than provided in this Code, for proper rest, restoration of working capacity, preservation and improvement of his health, depending on the nature of his work and place of employment. The vacation term shall be calculated using calendar days.

2. Vacation - consisting of annual base vacation for employees in a specific position (profession), and additional base vacation granted according to the industry involved the employees labor and work experience, and for women with small children - may be granted either together or separately.

3. Vacation shall be granted every year during the employment year. The employment year shall begin on the date on which the employee was hired and end on the same day of the following year. If the employees work year has not begun on the date when the employee requests a vacation, vacation may be granted only at the start of his employment. If an employee has two vacations in a calendar year, he may take them together or separately.

Chapter Seventeen. Duration of Vacation

Article 114. Base Vacation and its Duration

1. Base vacation shall be defined as vacation whose minimum duration is established by Parts 2 and 3 of this Article on the basis of the occupation (position) of the employee as stated in his employment contract.

2. At least 21 calendar days of paid base vacation must be granted to employees..
3. The employees listed below shall be eligible for 30 calendar days of paid base vacation per year.
 - a) agricultural employees;
 - b) public officials, *holding* responsible positions (responsibility for said positions shall be determined by the employer, taking into account the particulars of the work) managers and experts of institutions;
 - c) administrators and administrative support personnel, as well as managers of out-of-school institutions not engaged in teaching, except for educational institutions governed by special regulations;
 - d) methodologists, senior foremen, workshop foremen, instructors, librarians, laboratory technicians, cleaning women, attendants, and art directors at educational institutions;
 - e) scientific personnel without academic degrees;
 - f) doctors, mid-level medical personnel, and pharmacists.

4. Part-time employees (working a partial day or partial week) shall be granted vacation of unrestricted duration depending on the work they perform or the position they hold.

5. Employees engaged in the work of seasonal nature shall be granted with the basic leave usually at the end of the season for a period of not less than two calendar days for each month of work.

6. Holidays considered as non-business days falling during the period of labor leave are not included into calendar days of leave and will not be paid.

Article 115. Additional Vacation Time Based on Working Conditions and Job Description Characteristics

1. Employees engaged in underground work or in hazardous or arduous occupations and those whose occupations involve increased sensitivity, excitement, or mental and physical stress shall be eligible for additional vacation time. Depending on the nature of the working conditions and duties, additional vacation time must be no less than 6 calendar days.

2. The list of hazardous and arduous industries, workplaces, occupations and positions, types of employment and employee categories granted additional vacation time according to working conditions and duties shall be approved by the relevant authority and the duration of additional vacation time shall be indicated therein.

Article 116. Duration of Additional Vacation Time for Seniority and Procedures for Granting Additional Vacation Time

1. Depending on their seniority, employees shall be eligible for the following amounts of additional vacation time:

- seniority of five to ten years - 2 additional calendar days;
- seniority of ten to fifteen years - 4 additional calendar days;
- seniority of over fifteen years - 6 additional calendar days.

2. The duration of additional vacation time according to length of service shall be determined on the basis of the time period within which an employee signs an employment contract with the employer and begins to actually work. Along with the time period which an employee has actually worked under an employment contract, the time periods within which an employee has become temporarily disabled and his job and average salary have been retained as provided in Article 179 hereof shall be included in the employees said length of service.

3. Additional vacation time based on length of service (as well as working conditions) shall not be granted to those employees indicated in Articles 118, 119, 120 and 121 hereof.

Article 117. Additional Vacation Time for Women with Children

1. Regardless of the amount of base and additional vacation time, working women with two children under the age of 14 shall be eligible for 2 additional calendar days of vacation time; while women with three or more children of this age or with a child *with restricted health condition* shall be eligible for 5 additional calendar days of vacation time.

2. Fathers raising their children as single parents and adoptive parents shall be eligible for the additional vacation time specified in Part 1 of this Article.

3. The right to additional vacation time as determined in this Article shall also be retained in cases when one of the children is 14, until the end of the relevant calendar year.

4. Any additional vacation time established in this Article shall not be granted to employees indicated in Articles 118, 119, 120 and 121 hereof.

Article 118. Duration of Vacations for Educators and Researchers

1. The following employees shall be eligible to a vacation of 56 calendar days per year:

a) administrative support personnel at educational institutions carrying at least one-third of a normal teaching load, educators, instructors, group and music leaders, concertmasters, accompanists, choirmasters and other employees working in the musical field;

b) all teachers of all subjects and professions (except training teachers);

c) children's association leaders holding masters degrees, psychologists, speech therapists, instructors for the deaf and mute;

d) educators at teaching institutions (except at boarding-schools), instructors at audio studios, circle instructors, military instructors, gym coaches;

e) employees directly involved in pedagogical activity at social security agencies and medical institutions;

f) employees with Doctor of Science degrees, directors and their research assistants, academic secretaries at research institutes, and the research departments of higher educational institutions;

g) scientific personnel engaged in independent research as authorized by an appropriate academic council.

2. The following employees shall be eligible to vacation of 42 calendar days per year:

a) administrators of orphanages and preschools, teachers, group leaders, and music directors of educational institutions, psychologists.

b) leaders, methodologists and instructors at educational methods offices and centers;

c) boarding school teachers;

d) circle leaders and employees of non-school children's institutions;

e) training teachers;

f) employees with academic degrees of candidates of science, directors, and their research assistants, academic secretaries of research institutes, and the research departments of higher educational institutions.

Article 119. Vacations for Physiological Reasons

1. Employees under the age of 16 shall be eligible for 42 calendar days of vacation per year; employees aged 16 to 18 shall be eligible for 35 calendar days.

2. All disabled employees *and those with restricted health condition up to 18 years old*, regardless of the category, reason, or length of disability, shall be eligible for a base vacation of at least 42 calendar days.

Article 120. Vacation for Persons Who Have Performed Meritorious Service to the Azeri Nation

Persons who have been wounded (*injury, trauma, contusion*) in the struggle for the freedom, sovereignty, and territorial integrity of the Republic of Azerbaijan, including National Heroes of Azerbaijan, Heroes of the Soviet Union, *military men, participating in military operations in the 1941-1945 war, and also being on military service, but not participating in military operations* and winners of the Order of Independence, shall be granted a base vacation of at least 46 days.

Article 121. Vacation for Certain Categories of Employees of Theatrical, Entertainment, and Other Establishments

Artistic directors and actors at theatrical and entertainment establishments, and artistic directors and actors on TV, the radio, and at movie establishments shall be granted 42 calendar days of vacation; stagehands shall be granted 35 calendar days of base vacation.

Chapter Eighteen. Research Leaves and Their Duration

Article 122. Research Leaves and Their Duration

1. Employees who are continuing their Master's (graduate) or Doctoral studies for the purpose of obtaining an academic degree and educational writers may be eligible for paid research leaves for the purpose of completing their dissertations or writing textbooks or teaching aids.
2. Employees shall be eligible for up to two calendar months of research leave for the purpose of completing their Candidate's (Master's) dissertations; employees shall be eligible for up to three calendar months of research leave for the purpose of completing their Doctoral dissertations. A special certificate issued to the employee by a specialized academic council shall serve as proof of eligibility for research leaves.
3. Employees undertaking Master's (graduate) or Doctoral studies (including those taking entrance exams) while working shall be granted 30 calendar days paid vacation each year.
4. Employees writing textbooks or teaching aids may be granted paid research leave of up to three months by decision of the relevant agency.
5. The appropriate scientific council or relevant executive authorities shall determine the issues regarding the duration and utilization of creative leaves in advance consultation with employers.
6. Salaries paid during said creative leaves shall be calculated on the basis of the employee's monthly salary as established for his position (profession).

Article 123. Paid Educational Leaves

1. Employees who are pursuing their education while continuing to work shall be eligible for the following paid leaves:
 - a) for laboratory research, tests, and examinations during semesters;
 - b) for national examinations;
 - c) for writing and defending their graduation projects (theses).
2. During paid educational leave, average salaries paid to the employee shall be determined in the manner stipulated in Article 177 hereof.

Article 124. Duration of Educational Leaves

1. Students attending evening classes at higher educational institutions shall be granted 20 days leave during their first and second years for laboratory research, tests, and examinations, and 30 days of leave for the same purpose during their remaining courses.
2. Students attending evening classes at special secondary educational institutions shall be granted 10 days of leave during their first and second years for laboratory research,

tests, and examinations and 20 days of leave for the same purpose during their remaining courses.

3. Employees taking correspondence courses from higher educational institutions shall be granted 30 calendar days of leave during their first and second years for laboratory research, tests, and examinations and 40 calendar days of leave for the same purpose during their third and fourth years. Employees taking correspondence courses from special secondary educational institutions shall be granted 20 calendar days of leave during their first and second years and 30 calendar days of leave during the other courses.

4. Students taking evening and correspondence courses from higher and special secondary educational institutions shall be granted 30 calendar days of leave when taking national examinations.

5. Students taking evening and correspondence courses from higher educational institutions shall be granted up to 4 calendar months of leave to prepare and defend their graduation projects (theses); students taking evening and correspondence courses at special secondary educational institutions shall be granted up to two calendar months of leave for this purpose.

6. Employees attending vocational schools and lyceums while continuing to work shall be eligible for 30 calendar days per year of leave to study for and take their examinations.

7. Employees taking evening and correspondence classes from general secondary schools shall be eligible for 20 calendar days of leave to take examinations in the eleventh grade.

8. These leaves may be used during the periods specified in class schedules on the basis of a letter from the educational institution.

Chapter Nineteen. Social Leave

Article 125. Pregnancy, Maternal, and Child Care Leave

1. Woman shall be granted pregnancy and maternity leave of 126 days, starting seventy (70) calendar days prior to childbirth and ending fifty-six (56) calendar days after childbirth. In the event of abnormal or multiple births, women shall be granted seventy days leave after childbirth.

2. Women working in industry shall be granted the following pregnancy and maternity leave.

a) 140 calendar days for normal childbirth (70 days before birth, 70 days after birth):

b) 156 calendar days in the event of abnormal birth (70 calendar days before birth, 86 days after birth);

c) 180 calendar days in the event of multiple births (70 days before birth, 110 calendar days after birth).

Article 126. Leave for Women Adopting Children

Women who have adopted children under two months of age or who are raising them without adoption shall be entitled to the 56 calendar days of social leave specified for after birth, as well as to additional leave defined in Article 117 and partially-paid leave defined in Article 127 hereof.

Article 127. Right to Partially-Paid Leave and Rules for Exercising It

1. A single parent or another family who is directly caring for a child until it is three years old, shall be eligible for partially-paid social leave in the amount determined by Legislation.
2. An employee caring for a child may use partially-paid social leave completely or in part at his discretion.

Chapter Twenty. Unpaid Leave

Article 128. Rules for Taking Unpaid Leave

An employee shall be entitled to unpaid leave if it becomes necessary for him to take time off from work to solve urgent family, personal, or other social problems, to study, engage in creative scientific work, or due to his age and physiological qualities.

Article 129. Types of Unpaid Leave

1. Unpaid leaves in the cases provided for by this Code shall be granted on the basis of requests by employees *or* the mutual agreement of the parties.
2. Employees may be granted unpaid leave at the discretion of the parties by mutual agreement of the employer and employee and in the cases provided by the collective contract, including under the terms of employment contracts, *but not more than for 6 months*.

Article 130. Duration of Unpaid Leave Granted at the Request of Employees

Unpaid leaves *in one working year* of the following duration shall be granted at the employee's request in the following cases:

- a) on the basis of the opinion of a medical board, to one of the parents of a chronically ill child or another family member directly engaged in child care, until the child reaches the age of four;
- b) up to 14 calendar days for men whose wives are on maternity leave;
- c) up to 14 calendar days for women with children under the age of 16 or single parents or guardians;
- d) up to one month for disabled persons, *employees with restricted health condition up to 18 years old*, regardless of the category or cause of the disability;

- e) up to 14 calendar days for individuals who were on active military duty in wartime;
- f) up to 14 calendar days for employees who were injured (*injury, trauma, contusion*) defending the territorial integrity and sovereignty of the Republic of Azerbaijan;
- g) up to 14 calendar days for parents raising children suffering from acquired immune deficiency syndrome (AIDS) or infected with the human immune deficiency virus (HIV) and for parents with children *with restricted health condition up to 18 years old*;
- h) up to one calendar month for employees attending graduate school;
- i) 14 calendar days for employees taking entrance examinations for higher educational institutions and 7 calendar days for employees taking entrance examinations for special secondary educational institutions;
- j) up to 14 days for inventors who are applying for the first time for inventions or proposals outside their place of employment;
- k) up to 14 calendar days for the period stated in a medical opinion for one relative caring for a sick family member;
- l) *up to 14 calendar days for employees with handicapped children under the age of 18*;
- m) *up to 7 days for the employees to solve family, household and other social issues.*

Candidate registered according to the Election Code of Azerbaijan Republic shall be provided with unpaid leave from the day of registration in respective election commission to the day of official publication of election results for the period, specified in his application.

Chapter Twenty-One. Procedure for Exercising Vacation Rights

Article 131. Procedure for Authorizing Vacations

1. An employee shall have *the right of use of vacation* after six months of employment following the signing of the employment contract with his employer.
2. After an employee has worked six months at an establishment, the employee may be granted vacation prior to the expiration of his first year of employment on the basis of his application within a time period coordinated with his employer.
3. Vacation in the second and subsequent years of employment may be granted at an appropriate time during the work year based on the order of preference for vacation.

4. The following individuals shall be eligible to take vacation during their first year of employment regardless of when they were hired:

- a) pregnant women and new mothers may use their vacation time immediately before or after their pregnancy and maternity leaves;
- b) employees who have not reached the age of eighteen;
- c) employees hired less than three months after their discharge from conscript military service;
- d) employees holding multiple jobs and taking vacation from their primary places of employment;
- e) the wives (husbands) of military personnel;
- f) persons attending educational institutions -- during their term projects or examinations or defense of their undergraduate theses;
- g) disabled persons.

5. Educational employees directly engaged in teaching shall be granted vacation during the summer vacation period, regardless of when they were hired.

6. Additional vacation time for difficult and hazardous working conditions shall be granted to employees in proportion to the employees' actual working time in the given position, profession or production site within a working year. Employees shall be entitled to said additional vacation after they have worked at least six months at the aforesaid place of work.

Article 132. Periods Which Count and Do Not Count Towards Determining Seniority for Vacation Purposes

1. In addition to the actual amount of time worked by an employee, the following periods shall count towards seniority for vacation purposes:

- a) periods when the employee was away from the job but retained his job in the cases provided for by this Code;
- b) periods of paid involuntary absence for employees reinstated in their jobs due to unlawful or unjustified dismissal or reassignment to another job;
- c) periods of temporary disability during which the employee received a social insurance allowance;
- d) periods of involuntary absence or detention of an individual who was dismissed from his job as a result of an unlawful and unsubstantiated arrest or accusation and confinement or was subjected to unlawful and unsubstantiated criminal accusations without confinement and after full acquittal of the reinstated employee, as prescribed by law.

2. Periods of partially-paid social leave as stipulated in Article 127 hereof, and sentences served by individuals sentenced to corrective labor without confinement shall not be counted towards seniority for vacation purposes.

Article 133. Order of Preference for Vacations

1. In order to avoid disrupting the normal flow of work and to maintain proper vacation records, the order of preference for vacations may be determined every year before the end of January.

2. The order of priority for vacations shall be approved by the employer in consultation with the trade union and the employee.

3. The following employees may be granted vacations at a time convenient for them:

- women with two children under 14 or a child *with restricted health condition*;
- a parent or a guardian raising children alone while the children are under 16;
- wives (husbands) of servicemen;
- disabled persons;
- war veterans;
- persons who were exposed to radioactive contaminants during cleanup of the accident at the Chernobyl Nuclear Power Plant and who are ill with radiation poisoning ;
- employees under 18;
- employees who work and study at the same time;
- Employees who have rendered special services as indicated in Article 120 hereof.

4. Regardless of the period of work at the enterprise, at desire of an employee the labor leave shall be granted during the period of his wife's maternity leave.

Article 134. Conditions and Procedures for Deferring Vacations

1. Vacation may be deferred for valid reasons at the initiative of either the employer or the employee only by their agreement.

2. Vacation deferral shall be defined as the postponement of vacation as provided in the order of preference schedule from one month of the current year to the next or from the current to the next year of employment or next calendar year.

3. At the employee's initiative, vacation may be deferred in the following cases:

- a) temporary disability;
- b) concurrence of vacation and leave;
- c) when on a business trip in another place to carry out an employer's tasks.

4. Vacation may be deferred at the employer's initiative whenever granting an employee vacation at the time indicated by the normal order of preference would disrupt normal operations.

5. By mutual agreement of the parties, any unused vacation time may be added to the vacation granted in the next year of employment.

Article 135. Inadmissibility of vacation granting refusal

1. The employer's refusal to grant vacation to the employee shall be prohibited according to this Code.

2. In case if the employee has not used its statutory vacation in respective year for some reasons then he/she shall receive the compensation for unused vacation for such year (years) in an established amount and order.

Article 136. Procedure for Combining Base and Additional Vacation Time

1. Base vacation time as provided in Article 114 hereof shall be granted together with additional vacation time as provided in Articles 115 and 116.

2. If an employee is concurrently entitled to two or more additional vacations under Articles 115 and 116 hereof, the longest additional vacation shall be combined with his base vacation.

Article 137. Procedures for Dividing Vacation Time and Recall from Vacation

1. At an employee's request *and with consent of the employer*, vacation time may be divided and granted in segments, provided that at least one segment consists of at least two calendar weeks. In cases when a segment of vacation is used, then its remaining part shall be granted by the end of the working year when said vacation was granted or by the end of the calendar year or, at the employee's request, it may be combined and granted with the vacation for the next working year.

2. An employee on vacation may be recalled only with his consent or in cases when it is necessary to respond to an emergency at the establishment or to keep the establishment in operation and functioning properly. Any recalls from vacation must be executed as orders (directives, decisions).

3. On agreement of the parties, to any employee recalled from a vacation shall be *charged the salary from the day of beginning of the work and* provided unpaid off days for worked vacation days (substituted days) or paid his regular salary minus any vacation pay for unused days of vacation. When the employee is granted vacation at a new time, he shall be paid vacation pay for unused vacation days under the procedure established by Article 140 hereof.

4. The recall of an employee from vacation at his initiative may be carried out only at the employer's discretion.

Article 138. Written Authorizations and Records of Vacations and Leaves

1. All vacations must be authorized on the basis of an employee application by an order (directive, decision) issued by the employer. The order (directive, decision) must indicate the employee's full name, job title, the kind and amount of vacation or leave granted, the year of employment for which the vacation or leave is granted, and the start and end dates of the leave.

2. The leave order must be issued at least five days prior to the start of leave and must be initialed by the employee.
3. Employers must keep accurate records of leaves. Leave records must be kept for the employee's years of employment, kinds and length of leaves, and the date of issue and number and date of the appropriate order (directive, decision). The granting of leaves shall be handled either by computer or by simple clerical work depending upon employer's financial status.
4. For the purpose of accuracy in the granting of vacations, leave records must be kept according to employees work years.

Chapter Twenty-Two. Procedure for Compensation of Vacations and Leaves

Article 139. Types of Compensation Considered when Leave Payment is Made

1. In determining the average salary paid during leave, all types of compensation shall be subject to the notion of salary determined in Paragraph 1 of Article 154 hereof, except lump-sum payments not included in the existing salary system.
2. An itemized list of payments which shall and shall not be counted for the purposes of determining average leave salary and, if necessary, procedures for indexing average leave salaries to inflation shall be determined by the relevant Executive Authority.

Article 140. Procedures for Determining and Paying Average Leave Salaries

1. The average salary for leave, regardless of the year of employment for which it is paid, shall be based on the average salary for the preceding 12 calendar months.
2. The average salary for employees wishing to take leave after working at an establishment for less than 12 calendar months shall be based on the number of full calendar months actually worked.
3. In order to determine pay for leave days, one shall determine the average monthly pay by dividing the total salary for the 12 calendar months preceding the leave by 12, and then dividing the result by the average number of days in a calendar month, i.e. 30.4, to determine the average daily salary. The daily salary determined by this procedure shall then be multiplied by the number of calendar days of vacation.
4. This procedure for determining salary for leave purposes shall also apply to paying monetary compensation for unused leave time.
5. The average salary for leave time must be paid at least three days before the leave begins.
6. Unless otherwise stipulated by an employment contract and collective agreement, the start time of leave may be reckoned from the day that the average monthly salary was actually paid if the average monthly salary was paid after leave had already begun.

7. The average salary calculated for leave time must be indexed and paid under the procedure prescribed by law.

Article 141. Payment of Additional Social Allowances to an Employee on Vacation

1. Allowances and material support shall be paid together with leave pay in cases when the employment contract or collective agreement provides additional social and living conditions (i.e., payment of a certain amount as social and living allowance, sending employees to rehabilitative resorts, or providing material support to improve family living conditions); if the enterprise has not entered into collective contracts; or for estimation of the budget for state-run enterprises or organizations.

2. The relevant authority, employees or employers representative agency may draft and adopt procedures to regulate the payments and material support specified in Part 1 of this Article.

Article 142. Source of Funds for Paying Average Salaries during Leaves

1. Payment for leave time shall be drawn from the funds earmarked for salary compensation.

2. Employers shall determine the means and sources for the compensation of designated payments indicated in Article 141 hereof.

Chapter Twenty-Three. Right to Leave upon Termination of Employment

Article 143. Exercise of the Right to Leave upon Termination of Employment

1. Upon termination of the employment of an employee who has not used up his leave for the year of employment in question, the employee may be granted leave for the aforementioned year (years) of employment at his discretion, and the date of termination shall be considered the last day of leave.

2. If an employee should decline to use leave in the cases and according to the procedure described in this Article, he shall be paid monetary compensation for any unused leave time under the procedure and pursuant to the provisions of Article 144 hereof.

Article 144. Payment of Monetary Compensation for Unused Leave

1. Regardless of the reason and basis of termination of his employment contract, an employee must be paid monetary compensation for any unused vacation time, with no term or limitation.

2. Upon termination of employment, monetary compensation shall not be paid for additional leave, educational and research leave, or social leave as specified in Articles 115 and 116 hereof.

3. If the employment contract with an employee who has taken his vacation for the year of employment should be terminated prior to the end of the year of employment, a proportional amount of his leave pay may be deducted from his final pay.

4. Holidays, which are not considering as working days, occurring during vacation time shall not be included to vacation calendar days and shall not be compensated.

Article 145. Cases Regulated by Collective Agreements or Employment Contracts with Respect to Leaves

An employer, together with the trade union or at his discretion and at the establishment's expense, may enter into collective contracts or employment contracts providing other kinds of leave or longer leave, or absorb the cost of treatment at rehabilitative institutions, or provide additional financial and social benefits or other measures to certain categories of employees or all employees during leave in order for them to enjoy their leave.

Article 146. Regulation of Rules for Sending Employees on Leave in Groups as a Result of Operational Shutdowns at Enterprises

1. In the event of a disruption in the normal functioning of an establishment as stipulated in collective agreements or, if they have not been entered into, then in employment contracts, such as natural disasters, industrial accidents, and other problems which cannot be corrected promptly due to operational shutdowns caused by circumstances beyond the employer's control, employees may be sent in groups on paid or unpaid leave in accordance with the terms and procedures specified in collective contracts. In this case, the duration of unpaid leave must be no less than the base leave for two years as defined herein.

2. The granting of unpaid leave to a group of employees shall not be permitted when the operation of a production site or line or work is stopped and it is the fault of the employer. This shall be considered downtime relating to the fault of the employer and salaries in the amount indicated in Article 169 hereof shall be paid to the employees.

Section VI. Work quotas, forms and methods of compensation and compensation guarantees

Chapter Twenty-Four. Work Quotas and Wages

Article 147. Work Quotas

1. Work Quotas - production quotas, time tables, service quotas, and numbers of employees - shall be determined according to the level of equipment and technology available.

2. If work is performed and wages are paid collectively, work quotas may be increased and more complex work quotas may be implemented.

3. During job and efficiency certification and when new equipment and technology are introduced, in order to increase productivity existing quotas must be replaced by new ones.

4. Production quotas shall be set so that employees shall have the opportunity to finish their job on time. Wages must be no lower than the minimum wage set by law.

Article 148. Implementation, Alteration and Revision of Work Quotas

1. Work quotas shall be implemented, replaced or modified pursuant to collective labor contracts. When a collective labor contract has not been signed work quotas shall be implemented by employers after they have been coordinated with trade unions.
2. Employees must receive at least 2 months official advance notice of the adoption of any new work quotas.
3. Quotas for various units and similar fields shall be changed or increased only by the agencies that adopted them and shall be implemented pursuant to regulations determined by these agencies.
4. Quotas may not be revised when higher output is achieved as a result of initiatives by different employees or teams using advanced work experience and applying new work methods and their working conditions are improved by using sources available.
5. Quotas for different sectors shall be determined by the authorized Governors office and shall be based on recommendations of Trade Unions Association *of all state (state)*; quotas within each sector shall be defined by vocational and sector-specific employer organizations with the consent of the relevant trade union and authorized Governors office.

Article 149. Calculating Compensation

1. Compensation shall be calculated on the basis of standard levels of work, paid labor, and standard salaries and production quotas (time quotas).
2. Compensation shall be calculated by dividing the daily standard wages (or hourly standard wages) in accordance with the degree of difficulty of the work performed by the daily (or hourly) production quota. Compensation may also be calculated by multiplying the daily standard wages (or hourly standard wages) according to the degree of difficulty of the work done by the daily (or hourly) time quota.
3. Daily standard wages (hourly standard wages) shall be calculated by dividing the monthly standard wages based on the level of compensation by the number of work days (work hours) in a month.

Article 150. Duration of Quotas for Labor, Time, and Services

1. Indefinite production quotas (time quotas) and service quotas shall be set for an unlimited period and shall remain in effect until they are changed.
2. Temporary production quotas (time quotas) and service quotas shall be set for up to three months until the production techniques, equipment and technology are mastered or until production or labor standards are established.

3. In individual cases the duration of temporary quotas may be extended by the employer with the consent of the enterprise trade union. Upon expiration of the stipulated period, temporary quotas shall be replaced by indefinite ones.

4. Quotas for work related to technological changes, emergencies, accidents or other similar events which may happen only once are to be set while work pertaining to each incident is being done, only if temporary or indefinite quotas for the same type of work have been established.

Article 151. Creating Conditions for Fulfilling Production Quotas

In order for production quotas to be fulfilled, the employer must provide the following at a minimum:

- a) the normal operation of heating, ventilation, and lighting systems in the workplace in order to create healthy and safe working conditions pursuant to occupational safety, safety engineering and production sanity (hygiene); the elimination of hazards such as loud noise, vibration, and radiation which have negative impact on employee health;
- b) the normal operation of machinery, work stations, and mechanisms;
- c) timely inspection for proper documentation of equipment;
- d) the proper quality of the materials and tools needed to do the work or perform the services;
- e) the prompt supply of electricity, gas, and other energy.

Article 152. Calculating Compensation for Inventors

1. When production, time, and service quotas and compensation are changed as a result of the implementation of inventions or large-scale use proposals, for six months after implementation of the new quotas and prices the wages of inventors or of the authors of proposals shall be based on previous prices.

2. For three months after implementation of the new quotas and prices the wages of other employees who have helped the inventors or authors of proposals shall be based on previous prices.

Article 153. Determination of Fixed Tasks and Service Norms

Standards of service and number of employees may be fixed in respect of employees in cases of time-rate system of payment of the work in order to perform standards of fixed tasks, including specific functions and scopes of work.

Chapter Twenty-Five. Compensation Norms

Article 154. Wages

1. Wages are the total daily or monthly amounts paid in cash or check by the employer to the employee for work performed (or services rendered) while carrying out his duties during the work period in accordance with the employment contract as well as supplements, bonuses, and other payments.
2. Employee wages may not be reduced in any way, nor may employees be paid less than the minimum wage set by the State in violation of Article 16 of this law banning discrimination.

Article 155. Minimum Wage

1. Employees shall have the right to payment of no less than the minimum salary determined by the State without discrimination.
2. The minimum wage is the amount equal to a monthly salary paid to a non-skilled employee based on economic and social conditions and is a social norm which establishes the lowest salary level.
3. The monthly wage of an employee who has performed his duties and completed his work quota during the monthly work period shall be no less than the monthly minimum salary set by the State.
4. Collective agreements and employment contracts may establish a higher wage compared to the minimum salary determined by Legislation.
5. Prizes based on compensation, supplements to compensation, wage increases, and overtime wages shall not be added to the minimum wage.
6. The minimum wage shall be determined by the relevant Executive Authority.

Article 156. Compensation and Determination of Expertise and Pay Scale

1. Wages paid shall be no less than the amount specified in employment contracts or standard salaries agreed upon in collective labor contracts.
2. The level of work performed by employees shall be determined and they shall be assigned to grades based on their expertise and pay scale pursuant to the existing standards-expertise booklet.
3. The degree of qualification of employees who complete their work quotas at a higher level and quality shall be increased by the employer first or without observing the order of priority.
4. An employee who has performed at higher work standards within at least 3 months or has passed exams relating to his specialty shall have the right to ask the employer to assign him a higher grade of expertise in accordance with regulations. The aforesaid demands by employees shall be met by the employer.

5. The grade of expertise of an employee who has violated production and equipment usage guidelines and has caused a serious deterioration in product quality may be reduced by one level; this reduced level may be raised again pursuant to regulations, but no sooner than three months after it was reduced.

6. The previous pay scale for an employee whose pay scale has been reduced may be raised if he achieves good performance results, but no sooner than three months after it was reduced.

7. The employer shall have the right to increase or reduce the pay scale in specified amounts based on the results of tests given to employees with the participation of trade unions and pursuant to regulations.

Article 157. Compensation System and Methods

1. Employee compensation may be based on the amount of work performed or the amount of time the employee has put in or on some other criteria. Wages may be based on either the individual or collective result of the work performed.

2. During a year in which the targets in the employment contract are met, in order to encourage employees and keep them interested in improving production and work quality they may be paid bonuses and awarded other prizes based on the results of work performed.

3. Compensation shall include the standard monthly pay, supplements to it, and bonuses.

4. As part of compensation, the standard salary shall be based on the complexity of the job, the speed required, and the level of expertise of the employee.

5. Supplements to compensation shall be added to the employee's standard salary as compensation for difficult work or as an incentive.

6. A bonus shall be a cash incentive to encourage employees to improve the quality and quantity of work and shall be paid pursuant to the wage system.

Article 158. Implementation of a Compensation System

1. The kinds, systems and standards of wages, tariff (official) wages, wage supplements, bonuses, and other incentives shall be specified in collective agreements and employment contracts. If there is no collective agreement, they may be specified in employment contracts and, in relevant cases, by mutual agreement between the employer and the trade union.

2. The compensation system, and the kind and amount of salaries of employees in state-run organizations shall be determined by the relevant department of the Governor's office.

3. The amount of an employee's salary shall be based on the results of his work performance, personal efficiency and professional standing and it may not be restricted within any one level.

Article 159. Compensation in Special Cases

1. Supplements to wages shall be paid to increase compensation for jobs in which conditions are difficult and hazardous, and in workplaces where the climate makes work difficult. The minimum amount of such supplements shall be determined by the relevant agency of the Governor's office.

2. *Wages of the employees operating in terms of work shorter hours stipulated by articles 91, 92 and 93 of this Code shall be paid in full amount, established for the normal working hours.*

Article 160. Compensation for Work Performed in Different Jobs

1. When an employee whose compensation is based on the amount of time spent on the job works on different jobs, duties, assignments, or uses different levels of expertise while performing his duties, or provides services to work stations, machinery, or equipment exceeding the set quota, then his salary shall be paid according to the expertise that is entitled to the highest amount and supplements to his salary shall be added.

2. Wages based on the amount of work performed shall be paid according to labor costs. If, according to production conditions, work with a lower pay scale in any field is assigned to an employee who is paid by the amount of work performed, then the difference between the salaries also shall be paid to the employee. If the employee fulfills the production quota in a job which is paid at least 2 levels lower than his wages, he should also be paid the difference between the two wages.

3. When an employee performs different jobs, the difference between job levels or when the services additional machinery and equipment, the higher wages and conditions for their payment shall be specified in collective agreements and employment contracts. If there is no collective contract, the higher wages and conditions for their payment shall be determined by the employer and the trade union.

Article 161. Compensation after Changing Jobs

1. If an employee is assigned work or duties to fulfill partially or fully in addition to the requirements of his employment contract, supplements shall be made to his wages and paid to him accordingly.

2. The amount of the allowance to the salary for the performance of the job function by *profession* (position) is determined by collective agreement or by mutual agreement of the parties to the employment contract.

Article 162. Compensation for Temporary Replacement

1. When an employee on temporary leave for specified reasons is replaced by another employee, the replacement shall be paid the difference between his standard wage and that of the employee on leave.

2. If the standard salary of the employee on leave is less or the same as that of the replacement employee, the replacement employee shall be paid a supplement to his

salary. This extra amount shall be determined by mutual agreement between the employer and the employee.

Article 163. Compensation for Substitute Employees

1. The compensation for substitute employees shall be based on working conditions and the actual work performed.
2. Standard salaries, bonuses, supplements, and wage increases for substitute employees shall correspond to those of regular employees.

Article 164. Remuneration of labor on Days Off, Ballot Day, Holidays, Considered as Non-Business Days and the Day of National Mourning

1. Wages for work performed on days off, ballot day, holidays, considered as non-business days and the day of National Mourning shall be paid as follows:

- *If wages are paid on the basis of time worked by the employee, the amount paid shall be no less than twice the standard daily salary.*
- *If wages are paid on the basis of piece-rate, the amount paid shall not be less than twice the specified piece-rate pay.*
- *If an employee receives monthly salary and the work is done within the limits of monthly working hours, he shall be paid for one day extra in an amount no less than his daily salary, if the work was performed in excess of the monthly quota, he shall be paid an extra amount not less than twice of the daily salary.*

2. Should an employee who works on a days off, ballot day, holidays, considered as non-business days or day of national mourning so desire he may have an extra day off in lieu of pay.

Article 165. Compensation for Overtime

1. Wages for every hour of overtime work shall be paid to employees as follows:

- If wages are based on time worked, the amount paid per hour shall not be less than twice the standard hourly wage.
- If wages are paid on the basis of piecework performed by the employee, extra wages must be paid in an amount no less than the hourly wages of employees with the same pay scale (level of expertise).

2. Additional payment for overtime work may be stipulated in employment contracts and collective agreements.

3. An extra day off may not be granted instead of pay for overtime.

Article 166. Compensation for Night or Multiple Shift Work

1. Wages for work at night or multiple shifts shall be no less the amount set by the relevant agency of the Governor's office.

2. Specific extra wages for work at night or multiple shifts shall be determined by collective agreements or employment contracts.

Article 167. Compensation in the Event of Failure to Fulfill Production Quotas

Should production quotas not be met for reasons which are not the fault of the employee, wages shall be paid for the amount of work performed.. In such cases, the amount paid shall be no less than two-thirds of the standard salary.

Article 168. Compensation in the Event of Defective or Spoiled Goods

1. If goods produced are defective for reasons, which are not the fault of the employee, he shall be paid reduced wages for work performed. In such cases, the amount paid shall be no less than two-thirds of the standard salary for the employee's pay scale.
2. If the defect in the goods is not visible or is detected after passing inspection, wages for that employee shall equal the wages for normal goods.
3. Wages may not be paid for work performed by employees who have produced useless and defective goods when it is their own fault. If the goods produced are partially usable, the employee shall be paid reduced wages based on the degree of usability of the defective goods.

Article 169. Compensation for Idle Time

1. Should an employee notify his employer or supervisor (manager, foreman, team leader, etc.) that he is idle, he shall be paid for the time he was idle that was not his own fault in an amount not less than two-thirds the standard salary for his pay scale.
2. Wages may not be paid for idle time that is the employees fault.

Article 170. Compensation for New Production (output)

Until the new process has been mastered, if wages for new production are less than the employee's previous wages, he shall be paid at his previous average wages. In such cases the employer shall determine the time over which previous wages are applied and the employees who are subject to them.

Article 171. Compensation for Incomplete Work

Wages of employees who have worked incomplete work days or incomplete work weeks shall be paid in proportion to the amount of time spent at work or the amount of output as outlined herein.

Chapter Twenty-Six. Means and Methods of Compensation, Wage Deductions

Article 172. Compensation Schedule

1. As a rule wages shall be divided into two parts (advance and remaining pay) and paid to employees twice a month with an interval not to exceed sixteen days. Wages for employees whose salaries are calculated over a one-year period must be paid not less than once a month.

2. Other terms for the payment of wages may also be stipulated in collective agreements and employment contracts.

3. If a payday falls on a day off, *ballot day*, *day of National Mourning* or holiday, *considered as non-business day*, payment shall be made the day prior.

4. Should an employee quit, all payments due him shall be paid in full on the day that he quits.

5. If payments are delayed through the fault of the employer and this has not already resulted in a grievance by the employee, the employee shall be paid an additional one percent of his salary for each day the payment is delayed. If the delay has resulted in a grievance, it shall be resolved pursuant to the guidelines in the section on Labor Disputes herein. .

6. If an employee's record book is not issued within the time determined in Paragraph 3 of Article 87 of this Code and the delay is the fault of the employer, the employee must be paid an average salary for the entire period of time during which he was not hired.

Note: The phrase delay is the fault of the employer used in this Article shall mean non-payment of an employee's salary over the period in question due to salaries not having been calculated within the fixed time, salaries not having been withdrawn from an authorized bank and financial and accounting operations not having been conducted in time, as well as in cases depending directly on the employers will and capabilities. This procedure shall not apply in cases when an employer is not able to pay employee salaries on time due to a banks mishandling of operations regarding funds when said employer is a client of the bank, due to the bankruptcy of the bank, or due to non-payment by another employer for work performed or services rendered, etc., which do not depend on the employer.

Article 173. Employee Payment Documents

1. Employers shall draw up all payment documents (books, lists, checkbooks) for employees reflecting all accounting statements relating to the calculation and compensation of salaries and deductions from them.

2. The following information shall be indicated in employee payment documents (books, lists, check-books):

- The total amount of salary calculated;
- Supplements to salaries, bonuses and other payments, their types and amounts;
- Amounts deducted from salaries - name, type, reason and amount of deductions;
- Amounts actually paid;
- Parties outstanding debt to one another and the amount.

3. Payment documents (books, lists, check-books) shall be signed by the accountant that has drawn them up and shall be issued to employees every time salaries are paid.

4. All accounting calculations regarding the computation and compensation of salaries and salary deductions may be computerized. Each time salaries are paid employees may request to see said calculations stored in the computer's memory. This information may be printed and issued to the employee in keeping with his request.

Article 174. Place and Form of Compensation; Monetary Unit Used

1. Wages shall be paid regularly at the workplace where the actual work is performed.
2. Wages may be deposited in the employee's bank account or sent to a specified address at his request.
3. At the employees consent, up to 20 percent of his wages may be paid in goods produced by the company or in other consumer products, with the exception of alcoholic beverages, *tobacco goods, narcotic drugs and psychotropic agents and other items whose inclusion to the civil turnover is not allowed (excluded from civil traffic)*.
4. Wages shall be paid in the currency of the Republic of Azerbaijan, the Manat.

Article 175. When Wage Deductions are Permissible and Deduction Methods

1. With the exception of cases defined hereby, specific deductions may be taken from the salary of an employee only with his written consent *or on the basis of executive documents stipulated by the legislation*.
2. An employer may deduct only the following from an employee's salary:
 - a) Appropriate taxes, social insurance fees and other mandatory payments specified by law;
 - b) *amounts specified in executive documents stipulated by the legislation;*
 - c) losses incurred by an employer that were caused by the employee (except in cases when the employee bears full material responsibility) in an amount not to exceed the average monthly salary of the employee;
 - d) a portion of the vacation pay proportionate to the vacation days lost as result of the employees early resignation;
 - e) the balance of the money paid in advance to the employee for official travel which was not reimbursed;
 - f) overpayments to the employee as a result of mathematical errors by the bookkeeper;
 - g) the unused portion of money given to the employee to purchase goods and equipment needed for production which has not been returned to the employer;
 - h) Amounts determined in cases stipulated in collective agreements.
3. An employer may perform accounting operations to deduct cash advances, money owed by the employee, or overpayments resulting from miscalculation no later than one month after the deadline for its reimbursement. Upon expiry of the noted term, the aforesaid amounts may not be deducted from the employees account.
4. No deductions from severance pay, wages, or other payments that are tax-exempt pursuant to law shall be permitted.

5. With the exception of payments resulting from mathematical error, additional amounts paid to the employee, including the amounts paid as a result of failure to enforce the law or other regulations, may not be deducted.

6. At the written request of the employee, portions of his salary in amounts that he specifies may be deducted and sent to specified creditors in payment for loans, credit, and other personal debt. An employer may not accept creditor's requests unless the employee has requested said deductions.

Article 176. Reducing Deductions from Compensation

1. Total deductions may not exceed 20 percent of the employee's compensation. In the case of legal actions defined by law, the deductions may not exceed 50 percent of his compensation.

2. When legal documents require several simultaneous deductions, the employee always shall be paid 50 percent of his compensation.

3. The limits specified in the first and second parts of this Article do not apply *to alimony deductions, reimbursement of damages caused to health, compensation of damages caused to persons as a result of supporter loss and reimbursement of damages, caused as a result of crime* or when the employee is undergoing corrective labor (serving time in prison).

Chapter Twenty-Seven. Average Compensation and Methods of Calculating It

Article 177. Average Compensation and Methods of Calculating It

1. Average compensation is the amount paid by the employer for work completed (duties performed) and other payments pursuant to this law and other regulations.

2. With the exception of paid vacation, average compensation shall be calculated by adding the employee's wage in the two calendar months prior to the payday, dividing it by the number of workdays in those months and multiplying the result, the average daily wage, by the number of workdays in the month.

3. If the employee has not yet worked two months, his average wage shall be calculated in the following manner: the salary earned by the employee during the days actually worked shall be divided into said days, a daily salary determined, and the result multiplied by the number of workdays.

4. Average wages shall be calculated with regard to all payments made pursuant to Article 157 hereof.

5. Average wages shall be calculated in those cases specified in Articles 60, 77, 123, 170, 172, 179, 181, 198, 224, 230, 232, 236, 243, 244, 245 and 293 hereof.

6. When average wages are calculated, the inclusion or exclusion of any payment shall be determined by the relevant government agency.

Article 178. Compensation Guarantees

1. An employer, regardless of his financial situation, shall be obliged to pay an employee the specified salary for work performed at the times specified by Article 172 hereof. Any employer who has failed to pay the monthly salary of his employee shall be prosecuted pursuant to applicable laws.

2. In cases when the company has shut down priority shall be given to paying salaries and all social benefits, including payment for unused, paid vacation days. Pursuant to Article 77 and 239 hereof, the employer shall make all other payments due employees up to the day of closure. Said payments shall be compensated to employees in the manner stipulated by Legislation in cases when the company becomes insolvent as a result of bankruptcy..

3. If in the cases specified in the second part of this Article the employer does not have the material or financial resources to pay, payments shall be made by selling the property of the company or by insurance from the relevant government agency pursuant to regulations.

Article 179. Cases when an Employees Job and Average Compensation Shall be Protected

1. When an employee is called upon to perform state or social duties pursuant to the law, his job and title shall be preserved and he shall be paid his average wage while serving his duties.

2. In the following cases the job and average salary of the employee shall be protected:

a) employer or on the basis of employers consent;

b) when he is called for hearings in initial investigations or to testify before a court of law as a witness, expert, specialist, translator, or case witness;

c) when he is called upon to participate in court sessions as a public plaintiff, defendant, or representative of a public organization, labor collective, or legally registered labor organization;

d) when he participates as a subpoenaed person or a jury, or a member of the group of arbitrators created to resolve collective grievances;

e) when he acts as a member of district and local election committee with right of casting vote within the period of preparation and holding an elections and also preparation of electoral roll;

f) when he is called upon to participate in forums, discussions, meetings and other events organized by the public relations offices of relevant government agencies on behalf of the employer or based on the employers consent;

g) when he is called upon to participate in collective labor talks; when he is called upon to participate in the drafting and signing of collective agreements and contracts and when he is called upon as a mediator, reconciler, judge or another representative for the settlement of collective labor disputes;

- h) when he is called upon to participate in economics discussions held in economics courts for the purpose of protecting the legal interests and benefits of the owner;
- i) when he is called upon to perform duties required by military conscription by participating in military meetings and other military events authorized by military commissions, *and also when going away on business for the purpose of fulfillment of military-transport duties,*
- j) when he is called upon to perform required duties during martial law or emergency rule, and also to do required work for relief from natural disasters;
- k) when an employer sends him for off-site professional development;;
- l) when he travels on the job and is outside the local jurisdiction or abroad;
- m) while he is away from work to participate in events to protect the legal interests and benefits of the owner, or to represent the employer;
- n) in cases specified in collective agreements;
- o) on the days that employees are away from job to donate blood;
- p) while he is undergoing medical examination at medical institutions away from workplace;
- q) when employees use their specialty or implement recommendations to increase output on job-related work away from the workplace;
- r) in other cases directly specified by law or by the employer.
- s) when employees of governmental or municipal authorities are called to supervision-inspection work in an order established by the legislation.*
- t) when he is elected as a member of the Judicial-Legal Council or Election Committee of the judges;*
- u) when involving an employees, specialists and experts of the governmental authorities, scientific institutions and organizations to the activity of the Judicial-Legal Council;*
- v) when directing to the primary long-term educational courses for candidates to the judges.*

Article 180. The Stock Rights of Employees

Employees shall have the right to receive shares from stockholder companies and other entities created in accordance with applicable laws and when owner's shares are defined in the companies bylaws (regulations). The number of these shares shall be based on profits, and the percentage of shares on the bylaws. Any employer who limits or repeals these rights shall be held fully liable under the law.

Article 181. Regulation of Other Employee Guarantees Pursuant to Law

Any employee who has an invention, has contributed ideas for efficient production, who delivers blood or blood components or who is sent on a business trip shall receive appropriate guarantees. These rights are included in the standard regulatory codes. Such employees shall also retain their jobs and regular average employee rights.

Section VII. Labor and Performance Discipline

Chapter Twenty-Eight. Regulations on Labor and Performance Discipline

Article 182. Internal Discipline

1. Internal discipline regulations may be adopted by the employer to ensure labor discipline, oversee fulfillment of employment contracts directly in the workplace, as well as collective labor contracts, and to comply with labor law.
2. In cases stipulated in the bylaws of corporations internal discipline regulations may be adopted by the relevant Executive Authority of a group of entities for enterprises included in said entity.
3. Internal discipline regulations shall be enforced pursuant to this Code and other labor regulations. The relevant provisions of internal regulations and the legal result of their application shall be considered invalid if they contradict these regulations.

Article 183. Content of Internal Regulations

1. As a rule, the following shall be included in internal discipline regulations:
 - a) The name, legal form, type of business, and legal address of the establishment;
 - b) The time at which work, meal breaks and other breaks begin and end;
 - c) A shift rotation schedule and rules governing it;
 - d) Regulations ensuring working conditions;
 - e) Conditions and regulations for rewarding the labor team and employees distinguished for performance, adherence to labor discipline and a high degree of fulfillment of responsibilities;
 - f) Conditions and regulations covering additional punitive measures for employees who violate labor and performance discipline;
2. Internal regulations for establishments which include a group of legal entities shall comply with item 1 of this Article and shall also include other information on additional conditions listing the names of the establishments to which the regulations apply, and other information which complies with labor and performance discipline.

Article 184. Governance of Labor and Performance Discipline with Discipline Regulations

1. Labor and performance discipline shall be governed by discipline regulations in order to increase the responsibility of the parties for the nature of the work performed and service provided in the following establishments:

- a) railroad and communications;
- b) sea and river transport and inland water transport for fish farms;
- c) air transport and its special service establishments;
- d) workplaces involving underground work under hazardous conditions, as well as in mining enterprises;
- e) establishments engaged in offshore oil and gas exploration and production;
- f) military industrial establishments;

2. Discipline regulations may stipulate only provisions differing from the requirements of the chapter on labor and performance discipline herein. However, at establishments where Discipline Regulations exist, other labor relations shall be regulated by this Code.

3. Discipline Regulations shall be developed with the participation of trade unions and shall be approved by the relevant executive authorities pursuant to the law.

Article 185. Employee Rewards for Labor and Performance Discipline

1. Employees distinguished for performing their duties at a high professional level or for observing internal discipline shall be rewarded by the employer as follows:

- with money and valuables;
- with additional leave;
- with individual supplements to salary;
- with individual insurance at a higher level;
- with paid health resort treatment and travel vouchers;
- employees may be awarded in the prescribed manner State awards and other incentives by applying for state rewards.

Chapter Twenty-Nine. Liability for Violation of Labor and Performance Discipline and Regulation of its Application

Article 186. Disciplinary action for Violations of Labor and Performance Discipline

1. Employers may punish employees for failure or delay in the performance of their duties or for substandard performance, for violation of duties defined by the employment contract and internal discipline regulations. Moreover, employees shall be held accountable in other cases stipulated by Legislation.

2. When an employee does not fully fulfill his duties or performs them poorly an employer may adopt punitive measures as indicated in Article 10 hereof, and may take one of the following measures if the employee violates his obligations under the employment contract or the internal discipline regulations:

a) issuance of an official reprimand;

b) issuance of a severe reprimand with the last warning;

c) imposition of a fine not to exceed one-fourth the monthly wage, if stipulated in the collective agreement.

d) cancellation of the employment contract in accordance with Item c of Article 70 hereof; disciplinary action

3. When applying disciplinary action the employer must take into account the employees personality, his reputation at the enterprise, his professional standing and the nature of the fault committed by him. The employee may be warned verbally or in writing without applying any of the disciplinary action stipulated in Paragraph 2 of this Article. Warnings shall not be considered punitive measures.

4. Holding an employer accountable for disciplinary violations as stipulated herein shall be the responsibility of the official considered to be his employer or the relevant Executive Authority if the proprietor of the enterprise and the enterprise itself are under state jurisdiction. Employers shall be held to administrative or criminal accountability in the manner established by Legislation.

Article 187. Regulations for Application of Disciplinary Warnings

1. Before applying a disciplinary warning the employer shall require the employee to submit a written explanation. The employee's refusal to provide a written explanation shall not prevent the issuance of a disciplinary warning.

2. A disciplinary warning may be issued within one month from the date of violation of the labor or employment discipline. Time during which the employee was on sick leave or annual leave or on a business trip shall not be included in said period.

3. Disciplinary warnings may not be given to the employee after six months from the date the disciplinary offense was committed. If the results of an audit (investigation or search) of financial records uncover a disciplinary offense on the employee's part, a disciplinary warning may not be given more than one year after the determination of the offense. This article does not include criminal procedures.

Article 188. Officials Authorized to Impose Disciplinary Action

1. Disciplinary action may be imposed only by an employer authorized to enter into, amend and terminate an employment contract.

2. Unless otherwise stipulated by the enterprises bylaws (regulations), an employer may give by order (instructions, decision) one of his deputies or a manager of the office of a division outside of the enterprise the authority to impose disciplinary action on

employees. The order (instructions, decision) shall state the reason for this authorization and the scope of authority.

3. No other officials except those indicated in items 1 and 2 of this Article shall have the authority to impose disciplinary action on employees. If, in violation of these regulations, disciplinary action has been imposed by an unauthorized employee, such order shall be considered invalid.

Article 189. Conditions of Disciplinary Action

1. Only one disciplinary action shall be taken per disciplinary violation. Several disciplinary actions may not be imposed for a single disciplinary violation.

2. Disciplinary action may be imposed on an employee on a working day when he is present. Disciplinary action may not be imposed on an employee when he is on vacation or on a business trip or while he is injured.

3. Disciplinary action may be imposed according to the order (instruction, decision) of the employer. The employee shall be acquainted with the order (instruction, decision) and shall be presented a copy at his request.

4. The order (instructions, decision) concerning disciplinary action shall not include information denigrating the employees honor and dignity, his identity or moral sensibilities, nor shall it be based on vengeance for his lack of discipline.

Article 190. Term of Disciplinary Action and its Advance Repeal

1. Disciplinary action shall remain in effect for six months from the date of issuance.

2. Should the employee perform his duties at a high level as a result of disciplinary action and not violate internal regulations, the employer may lift the order (instruct, decision) on disciplinary action in advance.

3. If the employee claims, while subject to disciplinary action, that the employer has violated legal requirements and his rights, the employee may appeal to a court for resolution of an individual labor dispute pursuant to this Code.

4. If an employee is given any of the rewards stated in Article 185 hereof for performing his duties at a high professional level while under disciplinary action, the disciplinary action shall be considered invalid from the date of the reward.

Section VIII. Mutual material liability of employer and employee

Chapter Thirty. Cases Determining the Mutual Material Liability of Employer and Employee

Article 191. Material Liability of Employer and Employee for Damage.

1. While meeting their obligations under an employment contract, an employer and employee shall be mutually liable for damage caused one other as stipulated in this Code and relevant regulations.
2. The parties shall be liable for damage caused one another intentionally or through negligence, provided that the following three conditions are met:
 - a) when it is revealed that the damage actually has been caused;
 - b) when the activity or inactivity of the defendant violates the law;
 - c) when there is a reasonable connection between the defendants action in violation of the law and the result of this action.

Article 192. Commencement of Material Liability and Its Substantiation

1. Material liability of the parties shall commence on the date of identification of the damage caused as a result of the employers and employees activity or inactivity.
2. When the parties claim the amount of material damage and its cause or deny fault for damage to the other party, they shall be required to provide proof.

Article 193. Employer Liability for Damage to the Owner of the Property

1. The employer shall be held fully and financially liable for damage to property as a result of his actions in violation of the laws pursuant hereto, and in other situations defined by other standard regulations.
2. The owner of the property may issue an order (instructions or decision) and provide payment for the damage caused him by the employer or he may choose to resolve the issue legally by filing a lawsuit against the employer in order to obtain compensation in the manner established by Legislation.

Article 194. Conditions for Damage Compensation

1. The party that caused the damage may be held administratively or otherwise liable, but regardless of the punishment, he shall also be liable for monetary compensation in an amount specified by regulations.
2. The offender shall not be relieved of financial liability if labor activities were stopped after the damage to the property.

Chapter Thirty-One. Financial Liability of an Employer for Damage to an Employee and Procedures for Settlement

Article 195. Financial Liability of an Employer for Damage to an Employee

An employer shall bear full financial liability for damage to an employee during his employment under the circumstances shown below:

- a) when the employment contract is canceled illegally and without an acceptable reason, and there is a binding court decision;
- b) when there is a court order (decision) for the amount of compensation due the employee or for the financial and moral damage during the time spent to solve the labor disputes;
- c) if an accident happens during production as a result of an employer's failure to prepare the necessary conditions in the workplace and the employees health and welfare are damaged during the performance of his job, or if he dies as a result of the employers negligence, as a result of which his family members and their dependent suffer financial damage;
- d) if, during employment, an employee's personal belongings and/or other property are not safeguarded and protected by the employer as needed, resulting in damage to or theft of the employees possessions and properties or damage caused by physical wear and tear;
- e) if an employee's salary and the other wages are miscalculated and are paid according to this calculation or paid illegally without valid reason;
- f) if an employer adds conditions to the employment contracts of the employees which limit their rights in comparison with current laws, collective contracts and agreements, and if this causes financial or moral damage to the employee;
- g) if, after cancellation of an employment contract, the employer spreads false and degrading information about the personal and professional qualities of an employee in any way, or other information which is considered an insult to him, and if the employee is not hired for other jobs as a result of this false information which then results in financial losses;
- h) if an employer does not fulfill his obligations as defined in the employment contract, causing financial losses to the employee;
- i) and in case of sexual harassment of the employee.*

Article 196. Determination and Monetary Compensation for Damages to an Employee

1. If an employee determines that one of the situations listed in article 195 hereof is applicable to his situation, he shall apply for compensation. If the relevant authority "agency, office, institute, investigator responsible for investigating financial and economic activities, auditor, auditing company, tax service office or official "decides or votes or certifies or a court order (decision) proves his argument, then compensation shall be due the employee.

2. The monetary value of the damage to the personal belongings or other property of the employee shall be determined by the market value of the property at the time of the damage. In this case, by mutual agreement of the parties, the monetary equivalent of the damage to the property may be paid by any means.

3. If the employer permits an employee to use special tools, etc., to do his work during or after the execution of an employment contract with that employee, the employer shall be financially liable for damage to the personal tools of the employee.

4. If an employer creates suitable conditions in the workplace for his employees and does not allow employees to bring their own personal tools and other belongings to the workplace, but an employee acts unilaterally and takes his own tools to the workplace in order to perform his work, then the employer is responsible only for monetary compensation for the damages he intentionally caused to the personal property of said employee.

5. The monetary amount for spiritual damage caused to an employee shall be determined in the manner stipulated in Paragraph 3 of Article 290 hereof.

Note: In this Article, personal tools and other belongings shall be defined as possessions which the employee takes to the workplace in order to perform his duties with the permission of the employer. In order to be considered hereunder the value of such machines and mechanisms, electronic or electric power tools, communication tools, transportation vehicles and machinery shall be more than double the monetary value of the minimum wage.

Article 197. Assessment of the Damage to the Employee

1. The employee shall present a formal petition to the employer requesting the monetary equivalent of the damage. The employer in return shall investigate the claim of the employee stated in the petition and shall come to a decision and answer the employee in writing within fifteen days.

2. If the employee cannot reach total or partial agreement with the employer on his decision or if he does not receive an answer, he may take the dispute to court to seek compensation for damages.

3. To avoid going to court, the parties may reach a bilateral agreement on a different ways to solve the conflict out of court. This shall not limit the employees right to court appeal.

Chapter Thirty-Two. Financial Liability of Employees for Damage to an Employer and Procedures for Settlement

Article 198. Financial Liability of the Employee Up to His Monthly Wage

Except in the situations defined in Articles 199 and 200 hereof, in all other situations an employee shall be liable to pay up to one month's average salary for damages he caused to an employer.

Article 199. Full Financial Liability of the Employee

The employee shall bear full financial liability for the situations shown below if he violates the law:

- a) when the employee signs an employment contract with the employer about property and other valuables which were given to the employee for safekeeping and for other reasons, and during employment, when the employee and the employer sign a written agreement on the nature of functions for which the employee is responsible and the employee assumes financial liability for his actions;
- b) when the employee accepts property and the other valuables under a one-time power of attorney or other legal document, or if he accepts them as part of his responsibility before the representatives of the employer;
- c) when there is an indication of disciplinary problems or criminal behavior or there is an action which requires punishment pursuant to legislation on administrative *offences* or criminal and tax legislation;
- d) when the employee intentionally damages or destroys property and other material objects, or if he harms the employer in any other way;
- e) when the employee causes damage under the influence of alcohol, toxic (poisonous) substances, *psychotropic agents or narcotic drugs*;
- f) when the employee discloses the employers trade secrets;
- g) when the employee stains employers personality, humiliates employers honor and dignity and causes spiritual damage to him and his ownership activity by spreading false, slanderous and abusive information.

2. When damage is caused by an employee under the age of 18 he shall be held fully liable only under subpara. c, d, and e of this Article.

Article 200. Agreements on Full Liability

1. Upon entering into an employment contract later during employment, an employer may entrust property or other materials to the employee. Any employee who is 18 years of age and is engaged in the protection, production, sale, transport, use or other activities related to the property or materials entrusted to him by the employer may sign a written agreement assuming full financial liability for that property or materials.

2. When an employer entrusts property or other valuables to a group of employees for protection, production, sale, transportation, use or for other purposes, the financial liability of each these employees must be defined contractually. If it is not possible to sign individual contracts with each employee, a collective agreement on group liability may be signed.

3. The employer shall determine the list of the employees and jobs mentioned in paragraphs 1 and 2 of this article for which total liability agreements shall be signed.

4. When collective liability is determined for employees in the workplace, and if there is damage to the employer by the collective, each member of the collective shall bear different financial liability depending on his position.

5. With the exception of criminal activities, if there is no agreement on total financial liability, an employee may hold financially liable for damage to the employer only to the extent of his average wage.

Article 201. Employee Exemption from Financial Liability

1. If a natural disaster “flood, overflow, landslide, drought, fire or any other unstoppable disaster - occurs and causes a risk to normal production, or a technological accident occurs through no fault of the employee, such as the breakdown or failure of machines, mechanisms, tools or any other means of work, or in the event of necessary breakage or breakage for the employees self-defense, the employee shall not be liable for damage to the employer. If the parties do not come to an agreement in these cases, they may be solved in the court pursuant to relevant laws.

2. An employee may not be held liable beyond the actual damage he causes by his activity or inactivity. That is, an employee shall not be financially liable for the employer’s loss of possible future income.

3. If an employee knowingly and intentionally through illegal activity or inactivity tries to prevent the future income and profit of the employer and causes specific damage to the employer, then the employee may be held financially liable only by a court ruling responsible for possible future income loss of the employer and may be punished pursuant to the law.

Article 202. Determination of the Amount of Monetary Damage

1. Damage to the employer shall be determined on the basis of actual losses.

2. If the employer loses property which is considered the main source of his business or this property is stolen or damaged, its financial value shall be calculated at base prices. In other situations, damage shall be calculated at the market value of the property at the time of the damage.

3. The monetary amount of spiritual damage caused to an employer shall be determined by the court on the basis of his application, pursuant to the principle foreseen in Paragraph 3 of Article 290 hereof.

Article 203. Investigation to Determine of the Amount of the Damage

1. Before an employer decides to seek compensation for property damage, he shall request a written explanation from the employee. The employer shall then try to determine the legality of the employees activity or inactivity, whether the damage was caused by the employee and, if so, the reason for the damage. The employer shall also try to determine the actual monetary value of the damage.

2. The employee shall have the right to familiarize himself with the investigation (research), inspect documents, provide additional explanation, or object to them. The employer must inform the employee of the process.

Article 204. Voluntary Payment of Damage by the Employee

1. The employee who is responsible for the damage to the employer may pay total or partial damages voluntarily.
2. Voluntarily payment for damage to the employer may be applicable only to situations shown in this Code.
3. The employer may establish a schedule for damage compensation with the agreement of the employee.
4. If the employer agrees, the employee may replace the property that was damaged or lost instead of paying compensation, or he may repair it or have it repaired at his own expense.

Article 205. Procedure for the Deduction of Costs for Damage the Employee Causes the Employer

1. If the cost of damage to the employer is not more than the monthly income of the employee, then the employer shall decide (order) how to deduct the damage from the employee's salary.
2. If damage occurs while the employee has full financial liability and its value is more than his monthly income and the employee refuses to pay voluntarily, the employer shall file suit in court to resolve the case, and the cost may be paid by court order.
3. If the employee does not agree with the employers order on compensation, he may file a suit pursuant to the regulations.

Article 206. The Role of the Court in Damage Compensation

1. Considering the degree of guilt, the facts, the financial resources of the employee and other circumstances important to the case, the court may reduce the amount of damage or authorize a settlement agreement between the parties.
2. If one of the parties incurs damage as a result of the others criminal activity or inactivity, the court shall conduct a criminal investigation resulting in the payment of damages.

Section IX. Protection of labor

Chapter Thirty-Three. Norms, Regulations and Principles for Protection of Labor

Article 207. Laws Determining Occupational Safety Standards and Procedures

1. Employees shall have the right to work under safe and healthy conditions.
2. Standards and regulations on occupational safety shall be governed by this Labor Code, the regulations of relevant authorities within their jurisdiction, other regulations, as well as international agreements signed or supported by the Republic of Azerbaijan.

3. Compliance with occupational safety standards and regulations shall be mandatory for parties to labor relations and other persons and entities.

Article 208. Workplaces Where Occupational Safety Standards and Regulations Apply

Occupational safety standards and regulations defined by this Code and other regulations shall apply to the workplaces of the persons mentioned below:

- employees;
- apprentices;
- military personnel employed by institutions;
- inmates employed during their prison sentences according to the court decision;
- Occupational safety standards and regulations defined by this Code must apply to all workplaces where individuals have been called to eliminate the results of a natural disaster or to perform work in a state of emergency.

Article 209. Basic Principles of Occupational Safety

Relevant state authorities, owners, employers and employees shall ensure occupational safety pursuant to the following principles:

- joint activity to improve working conditions and safety by authorities, owners, employers and employees; the prevention of industrial accidents, injuries and occupational illness;
- priority of employee life and health over results of production by enterprises;
- coordination of occupational safety with other economic and social policies, as well as with environmental protection;
- determination of unified occupational safety requirements for all enterprises, regardless of their ownership or legal form of organization;
- implementation of independent and efficient controls for compliance with occupational safety requirements by all enterprises;
- employer incentives taking advantage of world-class scientific and technical achievements and advanced work methods with respect to occupational safety; the development and use of efficient occupational safety methods, techniques and technologies;
- implementation of a tax policy focused on a high level of occupational safety at enterprises;
- government funding of occupational safety measures;
- regular improvement in occupational safety standards;
- providing employees with protective outer garments and boots, other individual protection devices, therapeutic food, etc., at no cost;
- *training, advanced training and retraining of specialists of labor protection in educational institutions, institutions for advanced training and retraining;*
- training of experts at educational institutions in occupational safety;
- compulsory investigation, registration and analysis of any industrial accident or occupational illness and reporting to the public the rate of industrial injuries and occupational illnesses based on these investigations;
- social, material and spiritual protection of the interests of employees injured or suffering from occupational illness as a result of industrial accidents;
- multilateral assistance to trade unions and other employee representative bodies to ensure occupational safety at enterprises by individuals and entities;
- the expansion of international cooperation on occupational safety.

Article 210. Participation of Public Organizations in the Settlement of Occupational Safety Issues

Employers, employees and various physical persons may join and establish public organizations operating pursuant to the law or public organizations in order to settle occupational safety issues. State authorities and employers shall provide multilateral assistance to public organizations and shall consider their proposals and recommendations when adopting occupational safety regulations.

Chapter Thirty-Four. Legal, Organizational, Technical, and Financial Guarantees of Occupational Safety

Article 211. Government Regulation of Occupational Safety

1. A unified government occupational safety policy shall be prepared and implemented by the relevant authorities in order to provide their equal fulfillment and to ensure the application of the right of additional leave and other standards by taking into account the peculiarities of work conditions, in cases determined in this Code, *the competent authorities shall approve the republican unified detailed lists:*

- *Industries, professions and positions with conditions of harmful, heavy and underground work for provision of free medical-preventive treatment, milk and products equal to it to the workers;*
- *Underground production sites, mines, tunnels, installations and other workplaces;*
- *Production sites and workplaces where to use the labor of women and employees under 18 is prohibited;*
- *Hazardous and risky chemical, radioactive and other substances that are prohibited to use during the production of commodities and performance of work (services);*
- *Workplaces where the probability for employees to be taken ill with occupational disease is rather high;*
- *Works connected with high risk to be infected with diseases and requiring compulsory vaccination and rules of their application.*

2. The lists enumerated in Paragraph 1 of this Article shall be published in numerous copies and issued for utilization to employers and trade unions in all branches of the economy. Employers shall be obliged to take actions required to familiarize the employees with them at a convenient time for them and create opportunities for them to use said lists.

Article 212. Regulation of Occupational Safety by the State

1. A unified state policy on occupational safety shall be implemented by the relevant Executive Authority.

2. The relevant Executive Authority shall:

- *develop and implement the unified state policy on occupational safety, determine the duties of the respective executive authorities and employers to improve work*

conditions and to ensure occupational safety, coordinate their activity for providing for healthy and safe working conditions and exercise control over it;

- approve the programs on the improvement of working conditions and occupational safety in consultation with trade unions and employers representative agencies; organize and ensure the fulfillment of said programs;
- determine the state order for enterprises regarding the production of occupational safety devices and make decisions on the institution of enterprises for the fabrication and manufacture of said devices;
- organize and coordinate scientific-research work in the sphere of occupational safety, implement national programs approved in the established manner and specify the terms and procedures to fund said work;
- organize the training of occupational safety experts;
- determine the procedures for conducting single-state statistical reports on occupational safety in the Republic.

Article 213. The Rights of Executive Authorities in Occupational Safety

The relevant executive authorities, including state concerns, companies, associations and corporations shall:

- determine the focal point for implementation of state occupational safety policy at the relevant workplaces with the participation of trade unions and other representative bodies of employers and take actions foreseen with respect to this issue;
- develop site standards, norms and procedures and regulations on occupational safety and ensure their approval in the established manner;
- organize the training of occupational safety managers and enterprise experts and examine their knowledge;
- monitor compliance with occupational safety standards and procedures at the enterprises subordinate to them;
- organize the production of devices, facilities and other protective means to ensure occupational safety in the respective sectors as required.

Article 214. The Rights of Municipal Authorities in Occupational Safety

Municipal authorities shall:

- ensure the implementation of state policy on occupational safety within the territories under their jurisdiction;
- develop interbranch programs on occupational safety that are of local importance and ensure their fulfillment;
- establish occupational safety funds based on shares and other owner assets to assist them in resolving regional occupational safety problems and ensure that these funds are spent pursuant to the purposes determined.

Article 215. Employer Occupational Safety Obligations

The owner and employer of the establishment shall be directly responsible for the occupational safety of employees in the workplace and for the application of regulations. They also shall be obliged to take the following measures in the workplace:

- obey all occupational safety standards, norms and regulations;

- protect the security of buildings, machinery, technological processes and equipment;
- provide healthy conditions in the workplace and use current public health standards;
- provide the necessary tools for hygiene and cleanliness and provide treatment and prevention services;
- provide employees who work in a harmful or adverse environment with free therapeutic food, milk or other foodstuff equivalents;
- apply normal work and rest standards;
- provide employees with free work clothes, shoes and other necessary protective gear in the required condition and with normal, regular frequency;
- educate, instruct, and test the knowledge of employees on occupational safety standards and regulations and encourage them in occupational safety;
- include necessary occupational safety regulations in the collective contract and assume responsibility as defined in these regulations;
- provide a statistical report on the application of current occupational safety standards and working conditions; on measures taken to implement the standards and the results of activities to achieve these goals. The required information shall be provided at specific times and in specific forms determined by the relevant executive authorities.

Article 216. Employee Duties Involving Occupational Safety

Employee duties involving occupational safety shall include the following:

- to learn, familiarize themselves and apply the requirements defined by relevant regulations for safety, hygiene, and fire protection;
- to perform work without jeopardizing their own life or that of others, to stay out of places where employees are not allowed such as machinery operating rooms and explosive depots, and to refrain from working in certain other places where there may be a danger to life;
- to work in the special clothing and shoes issued, to follow and enforce safety regulations, standards and instructions and to use protective methods as stated in the individual or collective contracts;
- to inform employer representatives about job accidents, any emergencies or any violation of occupational safety regulations;
- to regularly improve their occupational safety knowledge;
- to follow the orders and advice of employers, supervisors and experts on occupational safety.

Article 217. Procedures on the Investigation and Registration of Industrial Accidents

Employers shall be obliged to immediately advise the authority exercising state control over compliance with labor legislation of the accident on the day it took place for its investigation, independent of the gravity of said accident.

The authority exercising state control over compliance with labor legislation shall establish a commission *to study the relation of the accident to the production and for its investigation* on the basis of the information received in the manner established by Legislation.

Employers must draw up an appropriate act in the manner determined by Legislation within a day after the investigation of said accident is completed, and one copy of the noted act shall be absolutely issued to the injured employee.

Employers or their authorized officials who conceal the facts of an accident that has occurred or neglect to draw up a proper report on the investigation carried out shall bear responsibility in the manner stipulated in Legislation.

Oversight for the investigation and registration of accidents shall be governed by a Normative Legal Act approved by the relevant Executive Authority on the basis of procedures stipulated herein.

Article 218. Compliance with Occupational Safety during Facility Planning, Construction and Operation

1. Unless they meet the requirements of current occupational safety standards, regulations and conditions, industrial buildings and machinery may not be planned, constructed or reconstructed; means of production may not be fabricated or distributed, and technology, including imported technology, may not be used.

2. Construction plans for an enterprise and production buildings must be approved by government experts; and production tools and devices shall meet the requirements for occupational safety and shall be tested and approved by appropriate government institutes.

3. Local government authorities and state agencies shall consult with appropriate organizations and experts to determine if the proposed plans meet occupational safety requirements and shall undertake an expert review on behalf of the government agencies.

4. Harmful substances, raw materials and other toxic materials cannot be used until a production engineering, fire protection, public health and hygiene, and medical-biological expert study has been performed and research and other inspection methods used on these materials to determine their effect on human health.

5. No new or reconstructed enterprise, object or production institute may start operation without a certificate or license issued pursuant to the relevant regulations.

6. No newly-constructed or reconstructed establishment to be used for social or public food service purposes may operate without permission of the State Labor Inspection Board or other relevant authorities.

7. The operation of enterprises and the means of production that do not meet occupational safety requirements or endanger employee's health and lives shall be shut down by the authorities exercising state control over compliance with labor legislation in the manner established by Legislation unless they are brought into conformity with occupational safety requirements. In the aforesaid cases, employee salaries shall be paid in the manner defined in Article 169 hereof.

Article 219. Training of Occupational Safety Experts and Employees

1. On the basis of current production information, the government shall provide education and training for occupational safety experts at specialized schools.

2. Employers shall provide occupational safety education and instruction for employees with the participation of trade unions and shall implement this form of professional development pursuant to the law.

3. Employers and managers of enterprises must take courses to improve their knowledge of occupational safety at least once every three years, and their knowledge on this subject must be tested.

4. In all employee training and qualification-improvement programs training on occupational safety must be included. Employers must provide employees that are hired or transferred to another job with occupational safety instructions and see that they are taught how to use safe working methods and render first aid to those employees injured in accidents.

5. Employees who have been hired to work at hazardous workplaces and in hazardous professions (positions), as well as with machines, mechanisms and equipment which are sources of high risk shall not be permitted to start to their job unless they have been instructed with respect to occupational safety rules. Employers shall be obliged to register said instructions in special registration books.

Article 220. Funding for Action on Occupational Safety

1. Depending on the purpose and assignment, expenses for occupational safety shall be funded by the national budget and the employer. .

2. National budgets shall allocate funds for occupational safety at the local level. These funds shall also be used for scientific research on occupational safety and for the development and implementation of special national or regional programs.

3. The employer or owner of an enterprise shall take working conditions, safety, and sickness and injury rates into account when allocating money and materials to occupational safety. This money may not be spent for other purposes.

4. Funding for occupational safety must be stated in the collective contract. Total annual expenditures shall be no less than two percent of the money spent on employee salaries.

Article 221. Labor Protection Fund

1. A Labor Protection Fund *may be established* at the level of the State and the enterprises. The National Labor Protection Fund shall be established by the respective executive power body.

2. The National Labor Protection Fund shall include:

- allocations from the national budget;
- *profits tax* of the enterprises;
- a certain percentage of fines established in the Legislation and paid by the officials formally punished for violating occupational safety standards and regulations;
- voluntary contributions from enterprises and citizens, as well as other payments.

3. An enterprise fund shall be created with funds allotted for the protection of labor and safety.
4. The management of the occupational safety fund and the dispersal of its funds shall be implemented in the manner stipulated in the Regulations approved by the relevant Executive Authorities.
5. The Labor Protection Fund may be used only to bring workplace conditions and safety up to the required level or to improve occupational safety at the enterprise.

Article 222. Conditions for Providing a Healthy and Safe Workplace

1. Employers shall provide a healthy and safe workplace, shall monitor dangerous and harmful production factors, and shall provide employees with information on these subjects in a timely manner.
2. Employers shall prepare and implement annual plans to improve working conditions, to ensure occupational safety, and to protect employee health.
3. The mutual responsibilities of the employer and the employee for the creation of a healthy and safe working environment shall be taken into consideration in collective and employment contracts.
4. If a production site is harmful and dangerous or if the work requires a special temperature or the employees work in a dirty environment, they shall be provided with special clothing, shoes, and other personal necessities including washing materials as required in the relevant regulations.
5. Employers, together with employee unions, shall certify compliance with occupational safety standards and regulations. Employees shall be informed of the results of certification. The employer, acting according to the certification results, shall take measures to comply with current regulations.
6. The employer shall handle services such as the storage, washing, drying, disinfecting, and repair of the special clothes and shoes and other personal protection devices given to employees.
7. In certain production areas determined by law the employer shall provide clean drinking water.
8. For employees who work outside during cold and hot seasons of the year, in closed unheated buildings or in hot mills the employer shall provide areas to warm up and to rest. Pursuant to the law, employees shall be given breaks to warm up and rest, and these breaks shall be counted as time on the job.

Article 223. Labor Protection Services

1. An occupational safety service shall be created to organize occupational safety and monitor employee compliance with occupational safety laws and standards at all offices and entities in all branches of the economy *with the number of staff over fifty employees*.

2. Experts familiar with labor legislation and occupational safety standards shall be included in the staff of labor protection services. *In enterprises with a number of employees over fifty, the position of engineer for safety shall be established, but if the number of workers is over five hundred - the position of the deputy chief (chief engineer) of the company for labor safety.* An industrial-sanitary laboratory shall be instituted at enterprises employing over one thousand employees and a doctors position shall be established there.

3. Occupational safety service experts shall have the right to monitor employee compliance with occupational safety standards and regulations, to order the heads of relevant units to take mandatory measures to eliminate violations, and to make recommendation to the employer with respect to the liability of any individual who violates occupational safety laws.

4. Occupational safety service *managers* and experts may not be asked to perform work unrelated to their duties. They shall be liable under the law for failure to perform their duties pursuant to the law.

5. Employers may reorganize or cancel occupational safety services only with the agreement of the authority that exercises control over compliance with labor legislation.

Chapter Thirty-Five.

Guarantees for Implementation of Employee Occupational Safety Rights

Article 224. Occupational Safety Guarantees upon Execution of an Employment Contract

1. The terms of the employment contract shall meet the occupational safety requirements hereof.

2. An employment contract shall state the employer's commitment to provide a healthy and safe working environment for the employee and guarantees thereof shall be clearly stated.

3. When hiring an employee for a job with a high risk of job-related illness, the employer shall submit information to the employee about the possible time frame of said illness. The employment contract shall therefore cover only that period, and at the end of that period the employee shall be given a different job with same salary.

4. Production sites and work places where employees may be taken ill with occupational disease shall be taken into account in the list indicated in Article 211 hereof.

Article 225. Employee Insurance against Industrial Accidents and Occupational Diseases

1. Employers shall provide mandatory social insurance to employees pursuant to the law.

2. Employers must provide employees working at high-risk jobs with obligatory insurance against industrial accidents and occupational illness. A list of employees requiring insurance *against accidents and occupational diseases* and the amount of the

insurance coverage shall be stated in the collective agreements or employment contracts based on agreements signed with insurance agencies.

Article 226. Compulsory Medical Check-ups

1. An employer entering into an employment contract with employees in harmful, hazardous and harsh industries must provide a clause for an initial medical check-up and for regular, free, compulsory medical tests pursuant to the regulations established by medical authorities for the period of their employment.

2. If an employee refuses to have a medical check-up or if he does not follow the advice of the doctor or medical commission after medical tests, the employer may dismiss him or impose relevant disciplinary action pursuant to Article 62 hereof.

Article 227. Employee Rights to Occupational Safety Information

Employees shall have the right to demand information about occupational safety in their workplaces, about the necessary occupational safety material which they should be given based on working conditions, and about concessions and guarantees. Employers shall be obliged to satisfy these requirements.

Article 228. Occupational Safety for Women and Other Employees under 18

Occupational safety for women, employees under 18, disabled employees, and employees working under harsh conditions shall be governed by this Code and relevant regulations.

Article 229. Prohibition of Activities Hostile to the Requirements of Occupational Safety Regulations

The employer or other employees and enterprises and their structural units shall not operate machinery or equipment if it fails to comply with occupational safety standards and regulations and occupational safety principles as defined herein and may pose a threat to the employee's health or life. In such cases operations shall be halted until the violations identified by relevant inspection agencies or their authorized representatives are eliminated.

Article 230. Guaranteeing Employees Safe Working Condition with Respect to Mandatory Idle Time or the Refusal to Work

1. Employee jobs, positions (professions) and average salaries shall be retained at entities or other workplaces where work is stopped as a result of the violation of occupational safety rules through no wrongdoing on the part of the employees.

2. Should the employer not provide a safe work environment and this failure create a danger to the health and lives of employees, an employee may refuse to perform his job and may go on an individual strike. Under these circumstances, the employee shall not be liable, and the labor dispute shall be settled in the established manner.

Article 231. Transfer to an Easier Job

Should an employee need to be transferred to an easier job for health reasons, the employer, with the consent of the employee and in accordance with the medical report, must transfer the employee to an easier job on a temporary or permanent basis.

Article 232. Cases When for the Protection of His Health an Employee is Transferred to an Easier Job and His Salary Retained

1. In order to preserve an employee's health, he may be transferred to a job that does not affect his health negatively and paid a lower salary. In such cases, the employee shall retain his average salary from his previous job for one month after the transfer.
2. Employees who suffer from tuberculosis and other chronic diseases and who are transferred to a lower-paying job shall be paid the full salary from their previous job during their temporary transfer, but for no longer than four months.
3. An employee injured in an on-the-job accident or who suffers from a job-related illness may, on recommendation of an authorized doctor commission or medical expert commission, be transferred temporarily to an easier job and be paid the average of the salaries for his previous and current positions. The employee shall receive this average salary until he recovers or until *his disability or restricted nature of health condition up to 18 years* is established.

Article 233. Cold-weather Work Interruptions and Stoppages

1. When employees work at low temperatures, outside under windy conditions, during very cold weather, or when they work in closed, unheated buildings, they shall be given breaks to warm up or else the work shall be stopped.
2. Employees shall be issued breaks in the manner established hereof when they are working at hot and open workplaces where the temperature is over 41°C and work stopped.
2. Employees performing work at the air temperature over 41°C and in the open air or *in cold seasons, in closed, but not heated premises with temperatures below + 14°C* will be issued breaks in the order established by this article, or work is suspended
3. Temperatures and wind velocity necessitating breaks or work stoppages shall be defined in Addendum Two hereto.
4. Breaks shall be counted as paid work time, and employee salary during these breaks shall be calculated on the basis of the employee's regular salary.
5. If work is stopped, wages for the idle time shall be paid on the grounds that the stoppage is not the employees fault. Wages shall be no less than two-thirds of the employee's regular wage.

Article 234. Transfer to Another Job when Work is Stopped due to a Decrease in Temperature

If work is stopped pursuant to Article 230 and 233 hereof, the employer may transfer the employee to another job. If the employee is transferred to a lower-paying job, the employee shall keep his previous salary from his previous job.

Chapter Thirty-Six. Supervision of rules and regulations for protection of labor quotas and responsibilities of employers

Article 235. Government supervision of rules and regulations for job protection and implementation applicable regulatory legal acts of labor quotas

1. Supervision of rules and regulations for protection of labor quotas and also requirements of Normative Legal Acts on protection of labor are done by special government organizations carrying out state control over the observance of labor legislation.
2. The decisions of government supervision organizations carrying out state control over the observance of labor legislation and their authorized persons taken within their authority must unconditionally be implemented. Such decisions may be appealed *administratively and/or in the court in accordance with legislation.*

Article 236. Public supervision of implementation of laws on job protection

1. Public supervision of enforcing of laws on job protection is done by persons authorized by labor collectives and the representatives of trade union organizations
2. Representatives on job protection have the right to monitor the situation in the work place in regard to job protection, to demand from the authorities the correction of shortcomings discovered, and if necessary to raise issues with the employer regarding taking legal action against the people in fault.
3. In order for the authorized person of the labor collective and the representative of trade union organizations to be able to carry his duties the employer should give him at least two hours per week of time during the work day which are paid in average wages.

Article 237. Rights of labor unions on supervision of implementation of laws on job protection

1. Labor unions can within their rights as specified on «The Law of the Republic of Azerbaijan on Labor Unions» participate in supervision of implementation of laws and applicable regulatory legal acts on job protection by the employer.
2. Labor Unions are to participate in preparing applicable regulatory legal acts on job protection and ways of enforcing them by mutual agreement, they have the right to protest to related state bodies enforcing of those acts which have not been prepared by mutual agreement.

3. Representatives of labor unions can participate in work of state commissions on testing of production equipment and machinery and initiating of their use in production, investigation of unfortunate incidents in production, monitoring of enforcing of job protection laws, and inspection of creating of conditions for their improvement as specified in collective agreements. If the people with authority violate implementation of agreed measures, or hide unfortunate incidents in production labor unions have the right to raise with state bodies the issue of prosecuting of the guilty persons.

4. When dangers for health and life of workers are created the labor unions have the right to raise before the authority carrying out state control over the observance of labor legislation the issue of stopping the use of any machinery which has faulty components and mechanisms which are dangerous for job safety; the production of other kinds of products, use of materials, equipment, and technology which are hazardous to human health; and also activities and decisions made by the employer which are in violation of laws on job safety.

5. Trade union organizations shall carry out control over the labor protection standards and procedures determined by this Code and other Normative Legal Acts through relevant employment inspection operating at their office. The rights and obligations of said inspection shall be regulated by the legislation of the Republic of Azerbaijan.

Article 238. Responsibility of Employers on creation of conditions for protection of healthy and safe work

The employer who fails to create conditions in work places for protection of healthy and safe jobs, or fails to take the measures agreed upon in collective agreements will be prosecuted for civil and criminal wrongdoing in cases and in ways defined by law.

Article 239. Material Responsibility for damage caused to employee's health or his death as a result of violation of labor protection standards

1. The employer who is fully or partially responsible for unfortunate incidents or work related illness is to pay in full both compensation for losses or poor health of the employee, and also pay the costs connected with medical treatment, granting a benefit, *and also other additional expenses, stipulated by the Civil Code of the Azerbaijan Republic.*

2. The employee who has suffered health problems as a result of production accidents or work illnesses that were employers fault, or family members and other dependents of an employee who has died because of the same reasons are to be paid a lump sum amount, monthly payments, and other extra fees related to the unfortunate incident as specified by law.

3. The procedures and terms on issuing compensation to employees who has suffered health problems as a result of industrial accidents or occupational disease or family members of an employee perished because of said reasons shall be defined by the relevant executive authority in the established manner.

4. The amount of compensations paid to victims as a result of industrial accidents or occupational diseases shall be indexed in the manner established by the legislation.

5. In cases stipulated herein, the issuance of compensations shall not apply to employees insured by an employer *against accidents and occupational diseases* at insurance agencies as provided by legislation.

Section X. Specifications of Defining Labor Relations for Women, Employees Under 18 years of age and Agrarian Sector

Chapter Thirty Seven. Labor rights of women and Guarantees to their Implementation

Article 240. Specifics of signing of labor contracts with women who are pregnant or have children under age of three

1. Refusing to sign a labor contract with a woman who is pregnant or has a child under the age of three is prohibited by law. This procedure shall not apply to the cases on refusal from hiring when employers do not have an appropriate work (position) or possesses workplaces that do not permit to hire women and involve them in work..
2. If an employer refuses to sign a labor contract with a woman who is pregnant or has a child under the age of three has to explain to mentioned woman in writing the reason behind his decision. For reasons of refusal from signing labor contract he lady can seek justice from a court of law in order to protect her rights.

Article 241. Jobs and work places that working of women is prohibited

1. Use of women workers in labor intensive jobs, in hazardous work places, and also in under ground tunnels, mines, and other underground works is prohibited.
2. In underground works involving leadership positions that continuous physical work is not needed, also in social works, sanitation and medical services jobs, or in cases involving going down to underground and coming up without doing any physical work use of women workers is permitted.
3. Use of women workers beyond the limits specified in this article for lifting or carrying of heavy items from one place to another is prohibited.
4. Work duties of women workers can include manual lifting and carrying of only the heavy objects which their weight is within the limits specified below:
 - a) along with performing other duties, lifting by hand and carrying to another place of objects which their total weight is no more than 15 kilograms;
 - b) lifting to a height of more than one and a half-meter of an object which its weight is no more than 10 kilograms;
 - c) lifting by hand and carrying to another place of objects which their total weight is no more than 10 kilograms during the entire workday (work shift)

d) carrying of objects by carts or other vehicles which their lifting would require more than 15 kilograms of power.

5. Putting women workers who are pregnant or have children less than three years of age in the jobs specified in this article is prohibited.

6. The list of hazardous and labor intensive jobs, positions, or professions, and also underground jobs where use of women workers are prohibited are prepared by the related governor's office.

Article 242. Limits to calling of women workers for night shift, overtime, and weekend jobs, or job related travel

1. Calling of women workers who are pregnant or have children under three years of age for work on night shift, on overtime, or weekend, or a holiday, *considered as non-business day* or other days, or sending them to job related travel is prohibited.

2. Calling of women workers who have children between ages of 3 and 14, or a child *with restricted health condition* for work on overtime, or weekend, or a holiday or on a day which is not work day, or sending them to job related travel is permitted only by their written consent.

Article 243. Putting of women workers who are pregnant or have children up to age of one and a half years on light duty

1. The production or service quotas for women who are pregnant according to medical verification shall be reduced, and they would be working in lighter works where hazardous side-effects of production are eliminated.

2. In case of women workers with children under the age of one year and a half if facing difficulties with doing her work and feeding or breast feeding her child on time, upon written request of the worker the employer has to transfer her to light duty work, or provide necessary conditions for feeding of her child until the child reaches age of one and a half.

3. While women workers are transferred to lighter duty work, their salary remains as the average salary for their main work.

4. It is unlawful to reduce wages of women workers due to their being pregnant or feeding their child.

Article 244. Breaks for feeding of a child

1. Women workers who have children under age one and a half year old shall be given breaks for feeding (breast feeding) of their children, in addition to their regular lunch and rest breaks. These additional breaks shall be at least 30 minutes and shall be given every 3 hours. If a woman worker has two or more children who are under age of one and a half years old the duration of such breaks shall be at least one hour.

2. Breaks given for feeding are considered as work, and the average salary of the worker stays the same.

3. Upon request of the lady the feeding breaks can be added up to the regular lunch or rest breaks, or they can be taken at the beginning of and/or end of workday (shift). If the lady would want to take her feeding breaks at the end of the work day, her work day shall be shortened by time equal to total of the feeding breaks.

Article 245. Cases of assigning part-time work for women, paying of her wages for the time spent for physicians examination

1. Upon request of women workers who are pregnant, or have children under age of 14, or have children *with restricted health condition*, or have to care for a sick family member based on a medical certificate, the employer has to give them part-time daily or weekly job with the pay based on their experience and seniority. In such cases both sides have to agree on the time of the workday or week.

2. The average wages of women workers who are pregnant, or have children under age of three stay the same on the days that they themselves or their children have to be medically examined or seen by a doctor. The employer has to provide the necessary conditions for such examinations.

Article 246. Benefits for employees who have to raise their child without a mother

All the labor related benefits specified in this section of this law shall also apply to all fathers, foster parents, or legal guardians who have to raise the children themselves alone and without the mother for a particular reason (if mother of the children has died, or has been deprived of her motherhood rights, or has to be away for therapy in medical institutions, or has to spent time in jail).

Chapter Thirty Eight. Specifications of employing of workers less than 18 years of age

Article 247. Labor rights of workers under age of 18 and the specifications of such rights

1. Due to their limited work experience, and limited choices for work, and factors related to their physiological development, the specifications of employing workers under the age of 18, and the benefits that they are entitled to are outlined in this law.

2. An employer is to provide the benefits of the workers under the age of 18 as specified in this law.

3. During preparing of labor contracts for workers under 18 years of age, in order for them to get more work and professional experience additional conditions and responsibilities for the employer.

Article 248. Guarantees for employment of persons under 18 years of age

Refusal from hiring the persons that are under 18 or due to the low level of their labor skills or professionalism shall not be permitted.

Article 249. Age limits during acceptance of employment

Persons who are under the age of 15 shall not be employed.

Article 250. Cases where working of employees under the age of 18 is prohibited

It is prohibited to employ persons younger than 18 years old in jobs with difficult and hazardous work conditions, also in underground tunnels, mines and other underground jobs, also in such places as night clubs, bars, and casinos which could be detrimental to development of his/her wisdom, and also in places where alcoholic beverages and toxic material are carried, kept, or sold *and also where circulation of narcotic drugs, psychotropic agents and their precursors is performed. Its prohibited to employ persons younger than 18 years old, who the Law of Compulsory General Education applies to, for execution of jobs which may deprive them of the opportunity to receive this education in corpora.*

Article 251. Work where limitations on lifting of heavy loads by employees under 18 is applied

1. Using manpower of workers under age of 18 beyond the limits specified in this article for lifting or carrying of heavy objects from one place to another is prohibited.

2. Work duties (services) of workers between ages of 16 to 18 years can include manual lifting and carrying of only the heavy objects which their total weight is within the limits specified below:

a) for males along with performing other duties, lifting by hand and carrying to another place of objects which their total weight is no more than 15 kilograms, also lifting to a height of more than one and a half meter of an object which its weight is no more than 10 kilograms;

b) for females along with performing other duties, lifting by hand and carrying to another place of objects which their total weight is no more than 10 kilograms, also lifting to a height of more than one and a half meter of an object which its weight is no more than 5 kilograms;

c) lifting by hand and carrying to another place of objects which their total weight is no more than 10 kilograms during the entire work day (work shift)

d) carrying of objects by carts or other vehicles which their lifting would require more than 15 kilograms of power.

3. Girls up to age of 16 can be given works described in segments a, b and c of part 2 of this article with lifting and carrying of objects with total weight of only 1/3 of the limit specified and only with their own consent.

4. Putting girls under age of 16 to works of lifting and carrying of objects during the entire work day (work shift) is prohibited.

5. The list of hazardous and labor intensive jobs, positions, or professions, and also underground jobs where use of workers under age of 18 are prohibited are prepared by the related governor's office.

Article 252. Medical examination of workers under age of 18

Workers under age of 18 are given employment only after passing medical examinations and until they reach age of 18 they must be medically examined every year with expenses paid by the employer.

Article 253. Concessions for Payment to Employees Under the Age of 18

1. Employees under the age of 18 who work part time, as stipulated in Article 91 hereof, shall be paid the same wages for the same kind of work as employees over the age of 18.
2. The labor of employees under the age of 18 who are engaged in piecework shall be paid on the basis of the piece-rate pay determined for adults. Employees under 18 shall be issued additional payment according to tariff rates for the time difference between the working time shortened pursuant to Item 91 of this Code and the daily working time for adults.

Article 254. Prohibition on Employees under the Age of 18 Engaging in Night Work, Overtime, Work on Days off, or Taking Business Trips

1. No employee under the age of 18 shall be permitted to work at night or perform overtime work, to work on weekends, holidays, *considered as non-business days* or other days off, or to be sent on assignment.
2. For employees under the age of 18, the hours of 20:00 PM till 7:00 AM shall be considered night time.

Article 255. Guarantees for Employees Under the Age of 18 When Employment Contracts are Canceled

An employment contract with an employee under the age of 18 may not be canceled on the grounds that he is not fit for the position (profession) he holds because of a lack of skill or profession, pursuant to Article 70, subpara. c hereof.

Chapter Thirty-Nine. Regulation of Labor Relations of Employees of Agricultural Enterprises and Members of the Family Farms

Article 256. Regulation of Labor Relations of Agricultural Employees

1. The issuing and regulation of employment agreements in agriculture and other agrarian sectors shall be based exclusively on regulations defined by law, by statutes of the enterprise, by the present code and by other regulations. The procedures on entering into employment contracts as established in this Code shall apply as a whole to the aforesaid enterprises as well.
2. In agriculture and other agrarian sectors, the bylaws and regulations of individual (family) enterprises, corporations and other legally-established organizations or entities may not limit the labor rights of employees hereunder. These documents may only consider the conditions and rules to regulate the labor relationship in more progressive forms and styles.

3. In all agriculturally-oriented enterprises, the labor of women and persons under the age of 18 may be used only as stipulated herein.

Article 257. Governance of Working Hours and Compensation for Work at Agricultural Enterprises

1. At agricultural and agrarian enterprises, working hours are set with regard to production and other aspects of the business on the basis of their bylaws (regulations) pursuant to the standards and regulations specified herein. At these enterprises, records of working hours divided into different cycles may be kept separately for intensive or seasonal work.

2. Issues pertaining to wages for members of enterprises that produce agricultural products or provide agricultural services may be resolved through share participation in the enterprise. Salaries for employees working under employment contracts at said enterprises shall be established to be no less than the amount stipulated in this Code, pursuant to the Parties agreement.

3. If the forms and procedures for the payment of employees' salaries and the norms of labor and estimation of labor at agricultural enterprises have not been stipulated in their bylaws and regulations, then the enterprises procedures on determining salary rates and payments shall apply. These procedures shall be adopted by majority vote in a general meeting of the enterprise. In the event that the aforesaid procedures have not been adopted, salary rates shall be determined on the basis of appropriate recommendations regarding the standards specified by the relevant executive authorities and municipal bodies.

Article 258. Employment at Individual Peasant (Farming) or Family Enterprises

1. Employment at *family farms* and family enterprises shall be regulated by the rules hereof, by the methods described in those rules, or on their basis.. However, the labor relations of said enterprises members shall not be determined in a manner at variance with applicable legislation.

2. Employment at *family farms* and family enterprises shall generally be regulated by a written employment contract as described herein. At such *farms* and enterprises, employment contracts may be concluded verbally as well. If this is the case, employment may be documented at the request of one of the parties. Employment may be documented by an order or directive *of the director of family farm* or of the leader (employer) of the family business or by an entry in the family book (journal).

Section XI. Labor disputes

Chapter Forty. Collective Labor Disputes

Article 259. Applicability of Rules for Resolving Collective Labor Disputes

1. All employers and their organizations, relevant authorities, labor groups and trade unions shall resolve organizational and labor disputes within the framework of rules established herein. The provisions of this Code must also be followed during a strike to resolve organizational labor disputes.

2. Procedures for settling state employees collective labor disputes shall be regulated on the basis of the norms determined hereof pursuant to the appropriate Normative Legal Acts on state service. Republic of Azerbaijan

Article 260. Enterprise Labor Disputes

1. Enterprise labor disputes arising during regulation of the following issues shall be resolved on the basis of this Code:

- a) discussions to enter into collective agreements and contracts;
- b) execution of collective agreements and contracts;
- c) amendments and addenda to existing agreements and contracts;
- d) implementation of collective agreements and contracts;
- e) resolution of other labor and social problems to preserve the interests of a member of the enterprise.

2. The procedures for resolving collective labor disputes stipulated herein, regardless of the number of employees, shall be mandatory for employers of all enterprises, relevant executive and judicial bodies, labor collectives and trade unions.

Article 261. Parties to a Collective Labor Dispute

1. The parties to a collective labor dispute shall be the employers and employees (labor collective or a part thereof) or trade unions.

2. Within the authority specified by this Code and other Normative Legal Acts, trade unions shall have the right to strike, to gather together freely, as well as to take other public measures in the manner prescribed by legislation in order to settle collective labor disputes in a legal and just manner.

3. Trade unions, employers unions and related government authorities may participate as parties to disputes on agreements concerning employees.

Chapter Forty-One. Collective Requests and Their Handling

Article 262. Submitting Collective Requests

1. Collective requests to enter into collective agreements and contracts and amendments thereto shall be made pursuant to the provisions of Part 2 below of this Article.

2. Issues of noncompliance or incomplete compliance with collective agreements and contracts and collective requests on other labor and social issues may be raised at the general meeting (conference) of employees or trade unions (union). A decision shall be made by a majority vote of the employees; trade unions shall reach decisions pursuant to their bylaws.

3. In addition to submitting collective requests, employees may chose representatives to participate at meetings with the employer on their behalf, or grant them the authority to have discussions with the trade union.

4. Demands which are not commensurate with the employer's economic capabilities shall not be permitted. If requests do not reflect the employer's economic capabilities, he shall prove this on the basis of an auditor's opinion.

Article 263. Consideration of Collective Requests

1. On receipt of a collective request, an employer must respond in writing to the employees or trade union within five working days. If the employer completely or partially ignores the collective request or delays his response to the collective request, a collective labor dispute shall be considered to have begun.

2. The employer must inform the relevant authorities within 3 days after the collective dispute has begun.

3. A collective request shall be handled within a month.

Article 264. Ways to Solve Collective Labor Disputes

Collective labor disputes shall be resolved in the manner indicated herein by peaceful methods and through strikes.

Chapter Forty-Two. Reconciliation Methods to Resolve Collective Labor Disputes

Article 265. Reconciliation of Collective Labor Disputes

1. The following reconciliation methods may be used to resolve collective labor disputes:

- Reconciliation Commission;
- mediator;
- labor arbitration.

2. The parties may agree between themselves to use one or all of these three methods, or to use a method other than these three methods that may help resolve the dispute faster. The agreement shall be documented and made official.

3. During the resolution of a collective labor dispute, employees may have meetings and discussions in order to protect their interest without interfering with production and during non-working hours.

4. Representatives of the parties, the Reconciliation Commission, mediator, and labor arbitrator shall be obliged to resolve the dispute quickly and fairly.

5. If it is necessary in order to continue the reconciliation process, the appropriate time limits indicated herein may be extended with the consent of the parties.

Article 266. Review of a Collective Labor Dispute by a Reconciliation Commission

1. A Reconciliation Commission shall be created within three working days after the collective labor dispute has begun and been made official by the order (instruction, decision) of the employer and by the decision of employee representatives.
2. A Reconciliation Commission shall be created on the basis of equality and with the participation of an equal number of members from both sides. The Reconciliation Commission must review the collective labor dispute within five days of its establishment.
3. When the parties come to an agreement, the Reconciliation Commission shall document this agreement. The agreement shall be binding on the parties and implemented within the time frame indicated therein. Failure to reach an agreement also shall be documented.

Article 267. Mediation of a Collective Labor Dispute

1. The mediator shall be an individual with no interest in the resolution of the problem, shall be chosen with the consent of the parties, and shall be an expert and a reputable person.
2. The mediator shall have the right to receive documents and information related to the collective labor dispute.
3. Within five working days, the mediator shall study the entities economic situation, the minutes of the commission created to resolve the problem, the proposals of the parties and other necessary documents, and then shall prepare different options for reconciling the positions of the parties. These options shall immediately be submitted to the parties. The parties shall discuss the proposals within five days with the participation of the mediator. If the parties agree to one of the proposals, the problem shall be considered to have been resolved on the basis of that proposal and the agreement shall be documented.
4. If none of the proposals is accepted, this disagreement shall be documented.

Article 268. Labor Arbitration of a Collective Labor Dispute

1. Labor arbitration is a temporary institution created to resolve a collective labor dispute. It shall be created by a joint decision of the parties no later than five days after the parties agree to resolve the collective labor dispute by labor arbitration.
2. The membership (no less than three people), rules, place where the arbitration panel shall work on the dispute, the schedule, and technical assistance to the arbitrators shall be determined by the mutual agreement of the parties. The head of the arbitration panel shall be chosen by its members. Individuals who have no interest in the outcome of the dispute, representatives of authorities, municipal offices, experts on labor and social issues and others may be members of the arbitration panel.
3. The parties may agree in advance that the decision of the arbitration panel shall be binding.

4. It shall take no more than seven working days for the arbitration panel to review the labor dispute. The panel shall have the right to receive documents and information related to the dispute.

5. The arbitration panel shall make its decision by majority vote, and this decision shall be documented. If the parties do not agree with the decision of the arbitration group, this fact shall be indicated in an official document.

6. If the parties agree in advance that the decision of the arbitration panel shall be binding, upon the panel's decision, the dispute shall be considered resolved and shall not be allowed to continue.

Article 269. Guarantees to Individuals Participating in the Resolution of Collective Labor Disputes

1. Individuals (members of the Reconciliation Commission, arbitrators, representatives of the arbitration panel, etc.) involved in the process of resolving a collective labor dispute, shall be protected by the guarantees cited in Article 27 hereof.

2. The employer shall create the necessary working conditions for the normal work of the Reconciliation Commission, arbitrator, or arbitration panel.

Chapter Forty-Three. Right to Strike in Order to Resolve Collective Labor Disputes

Article 270. Legal Basis of Strikes

1. Employees shall have the right to strike alone or together with other employees.

2. The right of employees or trade unions to strike shall originate at the time a collective labor dispute has begun.

3. If the parties agreed to resolve the collective labor dispute through peaceful means, a strike shall be resorted to only if the dispute cannot be resolved through those means. If the employer needlessly delays peaceful resolution or fails to fulfill an agreement reached through peaceful means, then the labor collective and trade union organizations shall have the right to strike.

4. Participation in a strike shall be voluntary. Individuals who oblige other persons *by use or threat of force or using their material dependence* to participate or not participate in a strike shall be held accountable for their actions pursuant to the law.

5. Except in situations described in Article 275 hereof, striking employees may not be replaced by others

6. An employer may not organize strikes or participate in strikes.

7. In relation to strikes resulting from a collective labor dispute, no employees may be fired, nor may the jobs at the enterprise (affiliate, representation) or workplace where the collective labor dispute arose be cut, abolished, or reorganized.

8. Employees of legislative authorities, relevant executive authorities, courts, or law enforcement authorities may not go on strike.

9. Condemned persons are prohibited from terminating the labour activity and going on strike to settle labour disputes, at institutions of service of sentence.

Article 271. Making a Decision to Go On Strike

The decision to go on strike shall be made at an employee's meeting or by the trade union (organization) as provided in Article 262 hereof.

Article 272. Informing the Employer of the Decision to Strike

At least ten days before a strike, the labor collective or the trade union agency must inform the employer in writing of the decision to go on strike.

Article 273. Warning Strike

At any stage of the resolution process, employees may organize a short (up to one hour) strike. The decision on such a warning strike shall be made pursuant to Article 262 hereof. The employer must be notified in writing at least three days before said strike.

Article 274. Group Leading the Strike

1. The strike shall be led by a strike committee elected by a general meeting (conference) or created by a decision of the trade union..
2. The strike committee shall have the right to call for a general meeting (conference) of employees, to receive information from the employer on items of interest to employees, and to use the knowledge of experts in order to arrive at an opinion on controversial subjects.
3. The employer must be notified at least three days before resumption of a strike.
4. The strike committee shall perform the following duties:
 - continue discussions with the employer;
 - take measures to prevent actions that might interfere with the employer, with his representatives, or with employees who decided not to participate in the strike leaving or entering the building freely; to prevent actions that may be injurious to them, and to protect them from being subjected to insults;
 - together with the employers representatives, provide security for the entity's property;
 - if a strike fund is created, manage that fund;
 - report to the labor collective or related body of the trade union on expenditures from the strike fund.
5. If the strike ends, is declared illegal, or is banned due to martial law or a state of emergency, the powers of the strike committee shall be revoked by a decision of the general meeting (conference) of the employees, or by a decision of the related trade union body.

Article 275. Duties of the Parties and Relevant Authorities During a Strike

1. During a strike, the parties must continue discussions on the collective labor dispute.
2. The employer, the authorities, municipal agencies, the strike committee, and the trade union must do everything in their power during the strike to maintain social order, protect the property of the entity and of private individuals, and ensure uninterrupted operation of equipment and machinery to avoid endangering human life, safety and health.
3. With the consent of the parties, a minimum of necessary work (services) may be performed if a strike continues for a long time to the detriment of safety, or if there is a strike at entities vital to the interests of society as a whole.
4. If there is no agreement, the minimum necessary work (services) may be provided by the relevant authorities or municipalities.

Article 276. Guarantees to Individuals Who Refuse to Participate in a Strike

1. Individuals who refuse to participate in a strike shall have the right to continue to work. If this is not possible, the employees' wages shall be paid at the rate paid when an employee is idle for reasons beyond his control.

Article 277. Right of Strikers to Freely Assemble

1. Strikers shall have the right to freely assemble, discuss the progress of negotiations, hold meetings and hold other public events at workplaces or near the enterprise provided that they do not obstruct employees who are continuing to do their jobs.
2. The right of employees to freely assemble, which is stipulated in this Article, shall be implemented in the manner determined by appropriate legislation.

Article 278. Strike Funds

1. In order to fund a strike, employee groups or trade unions may create a strike fund that shall remain in effect during the strike. Employees of other entities or trade unions may create a solidarity fund or mutual assistance fund.
2. These funds shall be used and managed on the basis of bylaws approved by the employee group or the trade union. These funds shall be tax exempt.
3. Money in the strike fund may be used to help strikers and for other purposes related to a strike.
4. After the strike, the unused portion of the strike fund may be spent for purposes determined by the labor group or trade union body.
5. Damage to an employer due to continuation of an illegal strike may be paid from the strike fund on the basis of a court ruling.
6. Government agencies, government employees, and other employers shall be prohibited from directly or indirectly funding a strike.

Article 279. Ending or Suspending a Strike

1. Should the employer accept the strikers demands, the parties reach an agreement to resolve the dispute, or should employees refuse to continue the strike, the strike shall be considered ended.
2. If a strike is illegal or is prohibited under martial law or a state of emergency, it must stop immediately.

Article 280. Situations in Which the Right to Strike is Limited or Prohibited

1. The right of employees to strike may be limited *or prohibited* during martial law or a state of emergency, pursuant to the laws of the Republic of Azerbaijan.
2. Strikes are not permitted for political purposes except when employees try to reconcile the principles of the states socioeconomic policy.

Article 281. Sectors Where Strikes Are Forbidden

1. Strikes shall be prohibited in certain service sectors (hospitals, power generation, water supply, telephone communications, air traffic control and fire fighting facilities) which are vital to human health and safety. Arbitration shall be mandatory in these sectors if the parties do not resolve an organizational labor dispute by reconciliation.
2. An obligatory arbitration panel shall be created by the relevant authority and shall function on the basis of regulations drafted by the same authority. The number of obligatory arbitration panel members shall be determined in consultation with the parties to the dispute, shall be no less than five persons, and shall be an odd number. The relevant authority shall ensure that the obligatory arbitration panel looks into the dispute promptly and decisively. The decisions of the obligatory arbitration panel shall be binding on all parties to the dispute and shall be implemented immediately.

Article 282. Illegal Strikes

1. Strikes declared and carried out in violation of the provisions hereof shall be considered illegal.
2. Upon a petition by the employer, the court of the district (city) where the strike committee is located shall investigate whether a strike is illegal.
3. *In case of availability of a court decision declaring a strike illegal, the employees must end the strike and resume work the day after the court decision is submitted to the body heading the strike.*

Article 283. Compensation of Employees Who Participate in a Strike

An employer may pay full or partial wages to striking employees for the duration of the strike. Refusal to pay wages for that period may not be grounds for a dispute.

Article 284. Right of the Employer to Declare a Lockout and Limitations of This Right

1. In the following situations, an employer may declare a lockout by giving a written notice of the entity's shutdown to his employees, trade unions and to the relevant executive authorities at least 10 days in advance:

- if the demands of the employees submitted to the employer are beyond his production, economic, financial and other capabilities;
- if there is a strike in violation of the rules;
- if there is undeniable evidence that an employer (employers) who is a competitor or other individual directed the employees to go on a strike.

2. Before declaring a lockout, the employer must hold discussions with employees and trade unions, and every opportunity must be taken to stop the strike and reach an agreement.

3. If the reason for the lockout exists after the deadline given to employees has expired, the employer may shut down the entity temporarily by declaring a lockout.

4. In circumstances other than those indicated in this article, government-owned entities or entities more than half-owned by the government may not declare a lockout.

Note: When a labor dispute begins, if the employer is incapable of meeting the demands of the striking employees on production, economic or financial ground, such a strike shall be deemed without basis and illegally motivated in order to infringe on the rights and interests of the employer, and a lockout may be declared to shut down the entity.

Article 285. Investigation of Legality of a Lockout and Employer Liability

1. Upon the request of employees, the court shall decide if a lockout is legal and declared in accordance with law.

2. If the court decides that a lockout declared by the employer has no basis and that material and non-material damages to employees must be paid, the employer shall also be held liable for violation of other laws with respect to the lockout.

Article 286. Liability for Violation of the Rules Hereof for Resolving Collective Labor Disputes

1. As determined by the court, striking parties shall be responsible for damage to the employer as a result of their decision to continue a strike that has been declared illegal.

2. Other employers who fund the strike are liable for all damage to the employer, including lost profit.

3. Issues related to financial liability shall be handled pursuant to civil law.

4. An employer may take disciplinary action against those employees who organize to continue a strike that has been declared illegal.

Chapter Forty-Four. Individual Labor Disputes, Their Parties and The Conditions for Their Resolution

Article 287. Individual Labor Disputes

Individual labor disputes are disagreements between parties on the fulfillment of an employment contract, the terms of collective agreements and labor laws and other Normative Legal Acts and shall be resolved in a manner and by the principles, methods, and provisions hereof on the basis of equality of the rights of the parties and rule of law.

Article 288. Subject of Individual Labor Disputes

This Code shall govern the settlement of individual labor disputes created when the following issues are regulated:

- a) signing, cancellation or alteration of the terms and conditions of an employment contract;
- b) determination of labor norms, including the scope of an employee's labor function;
- c) change of workplace stipulated in the employment contract;
- d) amendments to the terms of working conditions;
- e) determination, calculation or compensation of salaries and other payments;
- f) implementation of deductions from salaries and other payments;
- g) implementation of the right to vacation;
- h) imposition of disciplinary action;
- i) organization and ensurance of protection of labor;
- j) determination and payment of the amount of material or spiritual damage caused to the employer by the employee;
- k) determination and payment of the amount of material or spiritual damage caused to the employee by the employer;
- l) determination that the decision of the commission certifying employees and workplaces is in conformity with the legislation and is well substantiated;
- m) Investigation of the competition committee's decision as to whether it is legal, objective and fair;
- n) Determination and payment of the amount of compensation for damage caused to an employee or his family members as a result of an industrial accident or occupational illness;

o) Determination and payment of the amount of compensations on shares and other securities, as well as the application of standards regarding labor relations in the process of privatization and subsequent to it;

p) Application of other issues related to the violation of the terms and conditions of employment contracts, collective agreements and labor legislation.

Article 289. Parties to an Individual Labor Dispute

In individual labor disputes, one party shall be an employer and the other party shall be the employee who claims his labor rights or interests protected by the law or his legal representative in the manner determined by the law have been violated.

Article 290. Duties and Responsibilities of the Parties to Individual Labor Disputes

1. Parties to individual labor disputes, respecting each others rights, must comply with the law, meet their commitments under the employment agreement, and obey the rulings (decisions) of the court which decides on the labor dispute.

2. An employer who has violated the rights and the legal interests of an employee must pay the full amount of the damage caused to an employee and determined by the court as a result of the settlement of an individual labor dispute.

3. Employers shall bear material liability for spiritual damage caused to employees in the course of labor relations. An employee who claims that spiritual damage has been caused to him must indicate the monetary amount of his claim in his application. The monetary amount of the spiritual damage caused an employee shall be determined by the court on the basis of the employees application pursuant to the degree of public danger of said damage, the personality of the employer and employee, the actual arguments of the case and other objective factors for the adoption of a fair decision.

Note: The term spiritual damage caused to an employee used in this Article shall mean the defamation and humiliation of the employees honor and dignity, the casting of aspersions on him, insulting his person and spreading false information to disgrace him among the members of the collective or other actions offensive to his morality, ethics, national dignity and faith.

Article 291. Compensation for Damage Caused as a Result of Unlawful Actions by State Officials

1. Parties to an employment contract shall have the right to request compensation for damage caused as a result of unlawful actions by State authorities or their officials and, consequently, the State shall be obliged to pay said damage.

2. Procedures for compensating for damage caused with respect to the firing or removal of an employee from work as a result of unlawful investigation or preliminary investigation, by the public prosecutor or judicial authorities shall be determined by the relevant Executive Authorities.

Article 292. Employees Right to File a Claim for a Right Which Has Been Violated

1. With respect to the matters described in Article 288 hereof, if an employee proves that his rights or legal interests have been violated, he can appeal to the relevant bodies which deal with individual labor disputes by the procedure described herein and request that his rights be reinstated.
2. In order to regain his violated rights, an employee may appeal to the court or to the relevant agency handling labor disputes before appealing to the court, as stipulated in Article 294 hereof, or he may go on strike by himself in the manner established in Article 295 hereof.
3. In order to regain his violated rights, an employee may also appeal through his legal representative to the relevant body which handles labor disputes.. In order for the representative to defend his rights the employee should give a power of attorney to his representative, in accordance with established procedure.

Article 293. Times When Individual Labor Disputes May be Considered

1. In necessary cases, individual labor disputes shall be considered during an employee's non-working day.
2. If consideration of an individual labor dispute takes place during his working day, the employee's average salary shall be retained both at his primary and at any secondary places of employment.

Chapter Forty-Five. Resolution of Individual Labor Disputes

Article 294. Oversight for Individual Labor Disputes

1. Except in the situations indicated in Paragraph 2 herein, all individual labor disputes shall be handled by the courts.
2. In the situation indicated in collective agreements with entities, a body may be created within the framework of a trade union to look into individual disputes prior to going to court. The creation and functioning of this body may be defined by collective agreements.
3. Procedures that differ from the regulations on the settlement of individual labor disputes and do not violate the principle of the Parties equal rights and the employment, social and economic rights stipulated in this Code may be specified in employment contracts.
4. If the decision of the body reviewing labor disputes before the court does not satisfy one of the parties, it may appeal to the court to resolve the dispute. The period for appealing to a court shall begin at the time of that body's decision.

Article 295. Right of an Individual Employee to Strike to Resolve an Individual Labor Dispute

1. If discussions with the employer and the response to his written request do not satisfy an employee whose rights have been violated, said employee may go on an individual strike by stopping work for a month on a temporary basis in order to resolve the individual labor dispute and any issues pertaining to collective demands before appealing to the court and without canceling the employment contract.
2. The employee must not exhort other employees or trade union organizations to participate in a strike he has declared to defend the demands of his individual labor dispute. If the labor group or trade union organizations reach the conclusion that the individual demands of the employee are valid, legal, and fair, they may independently bring forward collective demands.
3. Neither the employer nor the president of the entity may limit or prevent the employee from exercising his right to go on an individual strike.
4. An employer who considers illegal the action of the employee who declared a strike by himself may appeal to court.
5. If the court does not decide that the employee who went on a strike acted illegally, the employer may not terminate said employees employment contract.
6. Until the strike period ends, the employee may resume work or go to court to resolve the labor dispute. During an individual strike the employee may use arbitration methods determined by the parties.
7. The payment of salaries for the period when an employee is on strike by himself shall be carried out in the manner stipulated in Article 283 hereof.
8. If the court decides that the action of the employee who went on individual strike is illegal or has no basis, the employee may be disciplined.

Article 296. Claim Periods for Resolving Individual Labor Disputes

1. After realizing that his rights have been violated, an employee shall have three months to appeal to the body which looks into individual labor disputes, as stipulated in Paragraph 2 of Article 294 hereof.
2. Except for the case indicated in Paragraph 1 of this Article, an employee may appeal in all instances to court for the settlement of an individual labor dispute within one calendar month of determining that his rights have been violated.
3. The day on which the employee realizes that his rights have been violated shall be the day on which the related notice, order (instructions, decision), labor book, accounting documents (book, list, check) is given and the day on which the employer intentionally violates the basic terms of the employment contract protected by this Code.
4. To resolve labor disputes pertaining to money and other property claims and disputes pertaining to damages, an employee may appeal to a court (the body dealing with labor disputes) within one year of the day on which his rights were violated.

The period of claim not applies to demand of compensation of the damages incurred to life and health of the employee.

5. In situations provided for hereby, an employer may appeal to the court within a month after its rights and legal interests have been violated; with respect to financial damages an employer may appeal to the court within a year after it realizes that the damage has occurred.

6. If the periods indicated in this Code have elapsed for good reason, such as the sickness of the claimant, the death of a close relative, or if he is on assignment or leave far from his place of residence or for objective reasons, the body which deals with individual labor disputes may waive the time limit and look into the dispute.

Note: In paragraph 6 of this Article the term a close relative of the plaintiff shall be defined as the employee's father, mother, grandfather, grandmother, husband (wife), children, brothers and sisters. A delay in the term of a claim due to the death of another of the employee's relatives may be considered pardonable by the judge.

Article 297. Governance of the Resolution of Individual Labor Disputes

The ruling of the court handling individual labor disputes shall be governed by the Civil Laws of Procedure of the Republic of Azerbaijan and by other relevant Normative Legal Acts.

Article 298. Deleted

Article 299. Unlimited Claims and Claim Collection

There shall be no limit on the amount of a claim and its collection in an individual labor dispute.

Article 300. Legal Consequences of an Employers Failure to Comply With the Rules for Terminating an Employment Contract

1. If an employer terminates employment relations with an employee in violation of Articles 68, 69, 70, 73, 74 and 75 hereof on the cancellation of employment contracts or does not comply with the provisions of Articles 71 and 76 or is in violation of the provisions of Article 79, the court which deals with labor disputes shall, upon a petition on the claim and upon investigating the facts of the case, *takes a decision* on the reinstatement of said employee by retaining his salary for being away from work obligatorily or *issues a statement* regarding the parties reconciliation agreement corresponding to the second part of the present Article. In its judgement the court also may stipulate payment by the employer of the amount of damage caused to the employee due to his claim.

2. If employee and employer manage to sign a reconciliation agreement on the basis of mutual consent during the judicial settlement of an individual labor dispute, the judge shall *issue a statement* binding the Parties to perform their obligations determined by said agreement.

Note: The term the amount of damage caused used in Paragraph 1 of this Article shall mean the average salary of an employee during the period he was unemployed as a result

of his termination, the amount of expenses incurred by an employee in hiring a lawyer (defender) for the protection of his rights at court relating to the consideration of the individual labor dispute by the court, as well as the amount of spiritual damage requested by the employee on the basis of his application; the total amount of costs incurred by the employee from borrowing money and selling personal items as a result of his unemployment, and other expenses.

Article 301. Implementation of Decisions and Rulings Concerning Individual Labor Disputes

1. A court decision on the resolution of an individual labor dispute must be carried out immediately on the day the decision takes effect, unless otherwise stipulated therein..

2. If the responsible party does not implement the court decision, or if the authorized individual or other private person prevents its implementation, *the judge shall be obliged to take appropriate measures* for reimbursement of financial damages connected with it and *institution* of prosecution pursuant to the relevant article of the Criminal Code of the Republic of Azerbaijan.

Article 302. Limitation of Implementation in Individual Labor Disputes

1. A decision by the court which deals with individual labor disputes in effect for six months may not be nullified against the interest of the employee.

2. A court decision (ruling) may be changed only if the decision was made on the basis of false information provided by the employee, employer or witnesses or if falsified documentation was submitted.

Note: Changing the implementation of a decision shall be defined as not implementing a ruling or decision of the court, as stopping a decision which has already been implemented or as nullifying the ruling or decision and restoring the relationship, interests, financial and other benefits to the time when the claim with respect to the labor dispute was made.

Article. 303. Persons Exempt from Rules for Resolving Individual Labor Disputes Specified Herein

1. The rules herein on resolving individual labor disputes shall not apply to persons appointed to a position in accordance with the Constitution of the Republic of Azerbaijan or by the President of the Republic of Azerbaijan.

Section XII. Social insurance for employees

Chapter Forty-Six. Regulating Employee Social Insurance

Article 304. Insuring Employees

1. Social insurance is a form of guarantee in cases stipulated by relevant laws to pay employees in a predetermined fashion and amount income lost due to employment, salary, supplements to their salary, other payments and other expenses, and the measures to prevent the loss of those rights.

2. When entering into an employment agreement, in accordance with the rules established by law, the employer must provide compulsory insurance for every employee. The employment contract must provide information on whether the employee is insured and whether there is any additional insurance for him.

Article 305. Regulation of Social Insurance through Employment Contracts

In addition to the insurance required by law for employees, an employment contract may provide more coverage, forms, rules, amounts of insurance, and sources of insurance.

Article 306. Types of Employee Social Insurance

1. Employee social insurance shall be carried out in the form of obligatory state insurance, voluntary insurance and additional forms of insurance implemented by employers.

2. Compulsory government insurance for employees is a type of social insurance provided by the employer in the manner and amount determined by law.

3. Employees may also have voluntary insurance at their own expense and in the manner determined by and on the basis of a social insurance agreement.

4. Employers and their unions may provide social insurance better than that stipulated by the law for their employees in general or each employee separately in order to satisfy the interests of the employees and provide incentives for high-quality performance and to strengthen social protection of the employees and their families.

Article 307. Regulating Employee Social Insurance Relationships

1. The principles by which social insurance is provided to employees, social insurance claims and their determination, types of payments for social insurance, the rights and responsibilities of participants in social insurance, the rate of mandatory government social insurance, conditions and rules of payment, sources of funding, types of voluntary and additional social insurance and other relationships with respect to social insurance shall be governed by this Code *and laws of the Republic of Azerbaijan "On social insurance" and "On individual registration in the system of state social insurance" and other laws based thereon.*

2. Foreigners who work under employment contracts at entities operating in Azerbaijan and stateless persons shall also have the right to register for social insurance by paying the appropriate fee in the manner and under the terms indicated herein.

3. An insured employee shall receive an insurance certificate (policy) *and state social insurance certificate* prepared pursuant to the law.

4. A private individual who limits or infringes on the social insurance rights of employees shall be held liable pursuant to the law.

Section XIII. General

Chapter Forty-Seven. Control over Compliance with the Requirements of this Code. Liability for Violations of Labor Legislation

Article 308. Enforcement of This Code

1. The Office of the Public Prosecutor and the relevant executive authorities whose powers have been established by Article 15 hereof shall oversee correct and equal implementation of this Code and other standard labor laws and compliance therewith by employers, employees, executive authorities, legal entities and physical persons.

Article 309. Public Control over Compliance with the Requirements of this Code

1. The relevant trade union organizations and employers representative agencies shall exercise control to ensure employees and employers employment, social and economic rights and lawful interests in the manner stipulated in the Law of the Republic of Azerbaijan On Trade Unions and hereof.

2. Employers and other parties to labor relations shall be prohibited from interfering with the implementation of trade unions public control based on this Code and other Normative Legal Acts, as well as from non-compliance with their lawful and substantiated requirements.

Article 310. Liability for Violating the Rights Defined by This Code

Employees, employers and other physical persons shall be subject to personal, disciplinary, administrative and criminal liability as defined by this Code and other Normative Legal Acts included in the Labor Legislation System for violating the legal rights defined by this Code and other standard laws, for limiting them for any reason, for abusing these rights, or for failure to meet commitments or obligations under an employment contract.

Article 311. Disciplinary Action for Violating Labor Law

If an employee or employer infringes on the others interests by violating their commitments, the job description defined by the employment agreement, the requirements of this Code or other standard law, he shall be called to disciplinary account pursuant to Article 186 hereof.

Article 312. Administrative Action For Violating Labor Law

An employee, employer or other private individual who violates the labor law shall be subject to administrative action pursuant to the cases and manner stipulated by the *Code of the Azerbaijan Republic on Administrative Offences*.

Article 313. Criminal Action for Violating Labor Law

Individuals who, with socially malicious intent, violate standards for the protection of labor as specified in legislation, or who grossly violate in any way the rights and legal interests of employees and employers or the requirements hereof shall be subject to

criminal prosecution in accordance with the Criminal Code of the Republic of Azerbaijan.

Chapter Forty-Eight. Issues on Legal Regulation Regarding the Application of the Labor Code of the Republic of Azerbaijan

Article 314. Settlement of Legal Regulation Issues Created during the Application of this Code

1. The official interpretation of the terms and conditions of this Code shall be carried out in conformity with a special constitutional proceeding determined by the Law of the Republic of Azerbaijan On the Constitutional Court.
2. The relevant executive authorities shall adopt respective instructions, regulations, procedures and other Normative Legal Acts within their powers in the manner specified by the appropriate executive authority in order to ensure the application of the various provisions of this Code.
3. The respective Normative Legal Acts and samples of documents ensuring the governance of labor relations may be attached to this Code on the basis of a decision by the relevant executive authority.

Article 315. Legal Force of Employment Contract before this Code Took Effect

1. If verbal employment contracts have been entered into with employees on the basis of applicable labor legislation prior to this Labor Codes taking effect and being legalized in conformity with employers orders, and instructions are not drawn up in writing with the Parties mutual consent, then these contracts shall retain their legal force unless said labor relations are terminated.
2. Verbal employment contracts entered into with employees on the basis of applicable labor legislation prior to this Labor Codes taking effect and being legalized in conformity with employers orders (instructions, decisions) may not be canceled on the grounds that they have not been entered into in writing.

Article 316. Resolving Labor Disputes During the Application of This Code

1. During the implementation of this and other standard laws, individual and collective labor disputes between employers and employees shall be resolved by the court on the basis of the rules indicated herein and the Civil-Processual Code of the Republic of Azerbaijan.
2. In the cases described herein, individual and collective labor disputes may be resolved on the basis of conditions agreed to voluntarily by the parties thereby avoiding the court to resolve the dispute. The right of either party to court appeal may not be limited.

Article 317. Legal Force of Text of This Code

1. This Code shall be an integral part of the legislation system determined by Article 148 of the Constitution of the Republic of Azerbaijan and shall have direct legal force throughout the territory of the Republic of Azerbaijan.
2. The provisions of this Code ensuring the protection of the rights and interests of parties to employment contracts and excepting or reducing their being called to account during the application of this Code may have retroactive force.

Legal Acts and Documents Appended to the Labor Code of the Republic of Azerbaijan

*Appendix 1
to the Labor Code
of the Republic of
Azerbaijan*

Sample Employment Agreement (Contract)*

B§1. Information on Parties to the Employment Agreement (Contract)

1.1. This Employment Agreement (Contract) (hereinafter employment agreement) has been entered into by

Employer: _____

(full name)

(job title)

(company, institution or organization)

and Employee: _____

(full name)

documents confirming employees citizenship and personality, its number

(employees profession, name of entity granting the profession)

(citizenship)

on _____ (day, month, year) in accordance with the Labor Code of the Republic of Azerbaijan (hereafter Labor Code) and other regulations of the Republic of Azerbaijan that regulate labor relations.

1.2. Employee is hired (assigned) to work at (place of work) _____ as (title of position) _____.

1.3. Starting on the date on which this employment agreement is executed, the labor relations and legal rights and responsibilities of the parties shall be governed by the rules and principles defined in the Labor Code.

B§2. Term of the Employment Agreement

2.1. The employment agreement has been entered into indefinitely

(yes, no)

2.2. The first _____ week (month) of employment shall be considered a probationary period. During the probation period, either party may cancel the employment agreement by giving the other _____ days notice.

2.3. For reasons of _____, the employment agreement shall have a term from _____ (day, month, year) to _____ (day, month, year) for a duration of _____ years (months).

2.4. The Employee shall commence work on _____ (day, month, year).

B§3. The Employees Job Description

3.1. The Employee shall perform the following duties:

a) _____

b) _____

c) _____

(duties shall be described in full detail)

3.2. One or more duties may be modified or others added only with the consent of both parties.

3.3. The employee shall strive to perform his duties as defined in the Labor Code, Article 10 and the above-mentioned duties in a timely and quality manner..

3.4. If for any reason the employee is unable to perform the tasks indicated and the employer wishes to reassign him to other tasks that are suitable to his specialization, then the employee may decline

such a reassignment only if his average compensation (wage) is not assured.

3.5. If in the course of performing his job the employee generates ideas and suggestions pertaining to the production process or its efficiency, he must immediately share these with his employer. For his part, the employer must take concrete steps to protect the employee's copyrights and privileges.

B§4. The Employees Labor Functions

The employer shall make a commitment to implement and comply with the following labor conditions:

Compensation

4.1. The employee shall be paid a minimum of _____ manats every month;

4.2. Salary shall consist of:

- Standard (official) wage in the amount of _____;
- Addition to standard (official) wage in the amount of _____ percent;

4.3. The employee shall be paid a _____ bonus

(monthly, seasonal, yearly)

in the amount of _____ manats;

4.4. The employee shall be entitled to a supplement in the amount of _____ manats since his job involves _____ conditions;

(underground, difficult, dangerous, etc.)

4.5. When the employee works overtime, during time off or holidays, *considered as non-business days*, he shall receive the supplement indicated in the Labor Code in the amount of _____ manats and with the condition of _____;

4.6. Compensation shall be paid:

- once a week, on _____

(day of the week)

- twice a month, on _____

(the paydays during the month)

- once a month, on _____

(day of the month)

- Compensation and other payments shall be deposited in the employees bank account at _____ bank

(name of the bank)

4.7. Other conditions pertaining to the payment of labor remuneration, on which the two parties are in agreement;

4.8. Deductions from labor remuneration may be withheld only in situations and circumstances indicated by law, and the employee shall be informed of all deductions beforehand.

Occupational Safety

4.9. A workplace and working conditions that reflect public health and hygiene standards shall be created in order to protect the employees health and labor;

4.10. The employee shall be supplied with the following special protection devices: _____;

4.11. In order to protect the employee from harmful conditions, he shall be supplied with the following food products: _____;

4.12. The employee shall be given instruction on labor protection norms at least once;

4.13. The employee shall be obliged to adhere to occupational safety rules and standards established to protect his and his co-workers health;

4.14. The employer shall pay unconditionally and without exception for damage to the employee or his dependents as a consequence of workplace accidents or job-related illness;

4.15. If the employee becomes disabled as a result of a violation of labor standards and regulations due to the negligence of the employer, the employer shall be liable to the employee's dependents to the extent provided by law.

Working Hours and Time Off

4.16. Employees may work no more than 8 hours per day, and no more than 40 hours per week;

4.17. Work begins at _____ hours, and ends at _____ hours;

4.18. Lunch is from _____ hours to _____ hours;

4.19. The employees full working day includes _____ hours of work;

4.20. The employee works _____ days of full working days during the week;

4.21. The work day includes _____ shifts, as follows:

- The first shift starts at _____ hours, and ends at _____ hours;
- The second shift starts at _____ hours, and ends at _____ hours;
- The third shift starts at _____ hours, and ends at _____ hours;

4.22. The employee shall be provided with transportation to and from work _____

(Yes, No);

4.23. Days off shall be _____ of the week;

4.24. For overtime employees shall be paid more than is stipulated in legislation

4.25. In his off time, the employee may, with the approval of his employer, work at another company which is not in competition with his employer.

Vacation

4.26. The employees work year is _____,

(day, month and year of starting and ending days of the first work year)

and subsequently he shall be eligible for vacation in the amounts indicated in the Labor Code;

4.27. His main vacation period consists of _____ calendar days;

4.28. Supplementary vacation period consists of :

- _____ calendar days, according to the internship;
- _____ calendar days, according to the nature of the work;
- _____ calendar days, for women who have more than two children under 14 years of age;
- _____ calendar days, according to the collective agreement (contract);

4.29. The overall length of the work vacation is _____ days;

4.30. When the employee is leaving for work vacation:

He shall be given social assistance in the amount of _____;

In addition, the following measures are taken to help the employee spend his vacation in a more meaningful manner, by going to health resorts and spas and on tourist excursions:

(concrete measures or monetary amount)

4.31. If the employee intends to take a vacation in order to pursue his education and improve his educational qualifications, then the employer shall commit himself to taking the necessary measures in order to make this possible, and the employee shall be allowed the length of time off as indicated in the Labor Code.

4.32. Unpaid vacation shall be used in the cases determined by this Code, as well as on the basis of Agreement with the employer.

Physical Training and Sport

4.33. *The conditions for physical training and sports, including rehabilitation and professional-practical exercises in working terms and after work, sports and health tourism are created for the employees.*

4.34. *Conditions for the issues of physical training and sports of the employee:* _____
_____.

Additional Conditions Decided Upon by the Parties and to Be Observed in the Collective Agreement (Contract)

4.35. _____;

4.36. _____;

4.37. _____;

(all additional conditions shall be explained in detail).

B§5. Mutual Liability of the Parties When One Party Causes Damage to the Other

5.1. If one of the parties to this employment agreement causes damage to the building, health, material, production or commercial interests of the other, then that party shall bear material as well as moral responsibility toward the other, as specified by law.

5.2. Production and performance hazards aside, if one party causes damage to the other, it shall be liable for this damage. If the parties cannot come to an agreement on the settlement of the dispute in this regard, the party suffering the damage has the right to take the matter to court.

5.3. In the settlement of damages between the parties, preference shall be given to settling the matter by agreement between the parties, before the parties avail themselves of their right to go to court.

B§6. Social Protection

6.1. As specified by law, the amount of _____ shall be deducted from the employees pay each month; in addition, the employer may deduct the amount of _____ for additional insurance;

6.2. The *employee* shall be provided with the pension, social security, benefits, *social insurance right*;

6.3. In the event the employee is temporarily disabled, allowance shall be provided to him subject to the conditions and in the amounts specified in legislation.

B§7. Regulation of Property Relations

7.1. The employee shall be responsible for the protection of machinery, mechanisms, tools and tool kits, as well as other property of the employer entrusted to his care for the performance of this job;

7.2. The employee is the owner of _____ (units) shares of the company and his relations with the employer are governed by current law.

7.3. The employee, in exchange for his share in the company, is the owner of the amount of: _____;

7.4. The employee, in performing his duties, shall make use of his personal property, as follows:

a) _____

b) _____

7.5. The employer shall be responsible for the [protection and safekeeping?] of the employees property;

7.6. The employee shall be responsible for keeping confidential the employers secrets, and he shall be held liable if these secrets are disclosed to others.

B§8. Information Regarding Modifications and Additions to the Employment Agreement

8.1. Unilateral modifications, additions or corrections made to this employment agreement shall have no legal force.

8.2. The following modifications and additions have been made to this employment agreement:

a) _____;

b) _____;

c) _____

(all modifications and additions shall be explained in detail).

8.3. Modifications and additions approved by the parties shall take effect immediately (no later than _____ [date]) and shall become an integral part of this employment agreement.

Signature:

Employer _____

Employee _____

B§9. Termination of the Employment Agreement

9.1. This employment agreement may be canceled at the initiative of one of the parties in accordance with the principles and regulations outlined in Articles 63, 64, 67, 68 and 69 of the Labor Code.

9.2. If this employment agreement is canceled by the employer he shall give the employee shall be notified in accordance with the provisions outlined in the legislation.

9.3. If this employment agreement is canceled by the employee he shall give the employer at least one (1) calendar months notice.

9.4. The employer may not use force, intimidation, fear or threats, or any other methods that go against the employees will, in order to force the employee to cancel this employment agreement.

9.5. The employment agreement may be terminated in situations specified by the two parties.

B§10. General Provisions

10.1. While this employment agreement is in force, the parties shall resolve disputes that may arise through mutual agreement and consent, without infringing on the rights of the other party. If the parties cannot come to an agreement on the resolution of a dispute, then they shall avail themselves of the opportunity to have the matter resolved through court proceedings.

10.2. This employment agreement shall be prepared in two copies; one copy to be kept by the employee and the other by the employer.

10.3. The parties may not transfer their obligations under this employment agreement to any third parties.

10.4. The parties shall not be liable to one another for situations that are not covered in this employment agreement, with the exception of situations that are directly covered in the Labor Code.

10.5. Should one of the parties violate the provisions of this employment agreement to the detriment of the other party, then the party suffering the loss shall have the right to require that the appropriate state organizations or authorities hold the offending party liable for the act.

10.6. We the parties shall perform our obligations under this Employment Agreement by executing conscientiously our personal, material, financial and production duties arising from it, and also our individual participation in social, political organizations and associations.

B§11. The Parties Signatures and Addresses

11.1. Employers title, full name, bank name, bank account information, routing number, legal address by indicating the information on a special permit to engage in ownership activity:

Seal _____ Signature _____

11.2. Employees full name and title

Seal _____ Signature _____

Note: In accordance with Article 43 of the Labor Code, when the employment agreement is being drafted, all conditions and information that are part of the employment agreement shall be disclosed

by law. When the employment agreement is being executed, additional conditions that appear in the employment agreement shall be filled in based on the approval of both sides. However, in all cases the employer shall be obligated to prepare the entire employment agreement as shown in this sample. The employer shall be responsible for ensuring that a sufficient number of copies of the employment agreement are printed and that they conform to this printed sample. The blank portions of the employment agreement shall be filled in accurately either by hand or typewriter or computer; care shall be taken to protect the completed documents; they shall not be altered or soiled.

*Appendix 2
to the Labor Code
of the Republic of
Azerbaijan*

Terms for Stopping Work or Granting Breaks to Employees Working Outside or in Unheated Indoor Areas During Cold Weather

1. All types of work performed outdoors when the temperature is above $41^{\circ}C$ or in closed premises, rooms or other indoor workplaces where air conditioning facilities are not installed shall be stopped and employees given breaks to cool down.
2. Work performed on dry land using cranes shall be stopped at force 6 or higher wind conditions..
3. In the case of construction, work shall stop under the following circumstances :
 - 3.1. at force 2 wind conditions or greater: crane installation;
 - 3.2. at force 3 wind conditions or greater: installing or dismantling hoists;
 - 3.3. at force 6 wind conditions or greater: work with scaffolding or the dismantling of scaffolding;
 - 3.4. at force 3 wind conditions or greater: moving mobile scaffolding..
4. If at sea, the following work shall be stopped under the following circumstances:
 - 4.1. at force 4 wind conditions or greater: construction, installation, and dismantling work using crane ships on separate platforms;
 - 4.2. at force 4 wind conditions or greater: loading and unloading barges and crane ships at bays near permanent offshore jackets and trestles;
 - 4.3. at force 8 wind conditions or greater: at all drilled wells, operations to lift instruments from wells;
 - 4.4. at force 6 wind conditions or greater: work on permanent offshore jackets to service production wells;
 - 4.5. at force 6 wind condition

s or greater: work on the major underground overhaul of wells on individual platforms and breakwater platforms;

4.6. at force 8 wind conditions or greater: work on the floor of the platform or breakwater platform flooring;

4.7. at force 8 wind conditions or greater: work under the floor of the platform or breakwater platform flooring;

4.8. at force 4 wind conditions or greater: all kinds of welding work in the form of downhand welding;

4.9. at force 3 wind conditions or greater: all kinds of welding work in the form of vertical welding;

4.10. at force 3 wind conditions or greater: all kinds of welding work in the form of overhead welding;

4.11. at force 5 wind conditions or greater: construction, installation, and dismantling without craft on separate platforms;

4.12. at force 4 wind conditions or greater: installation work with a breakwater construction crane;

4.13. at force 5 wind conditions or greater: pile driving;

4.14. at force 4 wind conditions or greater: dismantling of offshore oil field structures;

4.15. at force 5 wind conditions or greater: during assembly, disassembly of rigs and raising (lowering) of masts on individual offshore platforms;

4.16. at force 5 wind conditions or greater: work to repair or replace cross arms, connecting arms, rope suspensions for rocker machines, to replace rollers, pulleys on a rig or mast, pulley rigging, underwater measurements or well flow rate measurements;

4.17. at force 5 wind conditions or greater: work to raise the masts of mobile units for underground current and major overhaul of wells on breakwater platforms;

4.18. at force 10 wind conditions or greater: work on all drilled wells, except to flush and cool tools.

5. All outdoor work shall be stopped or breaks granted to warm up if the temperature is at or below -10°C and wind conditions are above a force 3.

6. Where the nature of the work does not permit it to be stopped, alternating shifts shall be employed. The alternating shifts shall be defined in coordination with the employer and the trade union committee.

7. While working indoors in unheated areas in cold weather, employees shall be allowed breaks or work shall be stopped when the temperature is below $+14^{\circ}\text{C}$.

8. Work shall be stopped or warm-up breaks be granted, and the number and length of these breaks

shall be determined by a joint decision of the administration and trade union committee.